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'Ambiguous' U.S. Policy on Taiwan Reported to Stir Concern in Peking

By Michael Parks Los Angeles Times Service PEKING — The Reagan administration's intensive efforts to draw China into a closer strategic partnership with the United States appear to have reached an impasse because of ambiguous U.S. policies on arms sales to Taiwan, according to informed Chinese sources and diplomats here.

Chinese leaders, moreover, are reported to be worried by the implications of the Reagan administration's refusal to put its declared goal of closer relations with Peking head of its sentimental attachment to Taiwan.

Foreign Minister Huang Hua reported to the Chinese leadership last week that his recent talks with President Reagan and Secretary of State Alexander M. Haig Jr. had made no significant headway on the main bilateral issue, which is U.S. arms sales to Taiwan.

Peking has decided as a result of the Washington talks not to send its deputy chief of staff, Liu Huang, to Washington to discuss Chinese arms purchases and the broadened transfer of military technology to China until "we get some answers about U.S. intentions," a Chinese source put it.

At an Impasse

For meetings that the United States had billed as possibly pivotal for the broadening of Chinese-U.S. relations, China saw not even the prospect of a breakthrough soon, according to informed Chinese sources' evaluation of the Washington talks and Mr. Huang's report to the leadership here.

The arms and technology the United States is offering were intended by the Reagan administration in June to cement the "alliance of interests" that Washington and Peking have been developing since the Nixon administration's initial approaches to Peking a decade ago. It is that relationship that is now seen as being at an impasse.

From Peking's perspective, an early resolution seems unlikely. Chinese sources make two points: First, some of the trust built up between Peking and Washington, particularly during the Carter administration, has been lost by the Reagan administration's waffling. Second, this has become, more and more, a question of face for China, at home and abroad, and this makes it more difficult to accept any compromise.

China Hardens Position

The plan, reported in Washington after Mr. Huang's visit, to extend Taiwan's contract to buy and assemble F-5E fighters and to upgrade the plane's engine and electronics to satisfy its demand for a more sophisticated aircraft, is not welcomed here as much of a compromise.

"Washington is not asking them to accept it, for Peking will never accept any arms sales to Taiwan, but this is something they might not object so loudly to," a diplomat said in assessing the Haig-Huang talks.

But China's position has hardened, Chinese officials acknowledge, and what might have been understandable in March or June, when this proposal was first brought up, may no longer be acceptable. Indeed, Chinese officials are warning, as they did at Cancun, that a major U.S. arms sale (Continued on Page 2, Col. 7)



Jean Gol, left, and Willy de Clerq, leaders of Belgium's French and Flemish-speaking rightist Liberal parties, respectively, rejoice at election returns. Both parties gained parliamentary seats.

No Clear Winner in Belgian Vote Despite Surge by Rightist Liberals

BRUSSELS — Despite big rightist gains, Sunday's parliamentary elections in Belgium produced no clear winner and could herald a long period of difficult negotiations to form a coalition government.

The outgoing premier, Mark Eyskens, whose Flemish Socialist Christian Party suffered a crushing loss of votes, was to see King Baudouin to confirm his resignation.

The Liberals made strides forward in both north and south, gaining six seats in Flanders to 28 and nine seats in Wallonia to 24.

The divisions between the French-speaking southern part of the country, known as Wallonia, and the Flemish-speaking north were emphasized by the results of Belgium's third general election in less than five years.

In Flanders — the more prosperous part of the country with a modern industrial base — the moderate Christian Democrats, who in Belgium are known as Social Christians, received about a third of the vote, compared with about 40 percent three years ago.

The Liberals advocate cuts in (Continued on Page 2, Col. 4)

Effort to Solve Regional Strike Fails in Poland

WARSAW — Attempts to end Poland's longest regional strike failed Monday, and Solidarity union leaders called on the Communist government to open major peace talks in Warsaw on Friday.

Failure to resolve the 19-day-old dispute in the western region of Zielona Gora and continuing labor protests elsewhere cast a shadow over the planned negotiations. But Solidarity's spokesman said he did not believe they would affect the outcome.

"The strikes are a problem, but they are not going to jeopardize the course of negotiations," spokesman Marek Brunne said. He said that the union's executive presidium had drawn up a list of six issues it wanted to discuss with the authorities after last week's meeting of church, government and Solidarity leaders.

Local Solidarity officials in Zielona Gora said that the authorities did not show up to sign a strike agreement because of last-minute misgivings over some of the clauses.

Another strike continued at the Sosnowiec coal mine in Silesia, there was a brief newspaper blackout in Wroclaw and farmers continued a sit-in at a Communist youth headquarters in the city of Siedlce.

where miners have been on strike since Oct. 27. The miners said they believed the authorities would allow them to air their grievances on national television, but added that they would step up their protest if this were refused.

Meanwhile, the controversial prosecutor general, Lucjan Czubinski, has resigned after presiding over the courts for nearly a decade, the official news agency PAF reported.

Mr. Czubinski, appointed in 1972 at the beginning of the now-discredited Giermek administration, was a frequent target of criticism by Solidarity. Solidarity branches called for his resignation. Some blamed him for the persecution of strikers in Radom and Warsaw in 1976 and harassment of dissidents.

The agency said the government had accepted the 51-year-old prosecutor's resignation but gave no reason.

Friday Session Requested Mr. Brunne said that Solidarity's executive presidium, meeting at union headquarters in Gdansk to prepare for negotiations with the government, asked to hold a preliminary session on Friday.

The Communist Party leader and premier, Gen. Wojciech Jaruzelski, told Solidarity leader Lech Walesa during talks last week (Continued on Page 2, Col. 5)

Ne Win Quits as Burma Chief After 19 Years

BANGKOK — Gen. Ne Win, Burma's undisputed master for 19 years, retired Monday as chief of state. But he is expected to continue making the major decisions. The People's Assembly elected U San Yu, a retired army general, to succeed him.



Gen. Ne Win

U San Yu, 63, a loyal follower of Gen. Ne Win, previously held the No. 2 spot in the state hierarchy as secretary of the Council of State. He was elected president during Monday's first session of a newly elected parliament.

U Aye Ko, former vice chief of the army and newly elected secretary-general of the ruling party, was elected to replace U San Yu as secretary of the Council of State. U Maung Maung Kha was re-elected as chairman of the Council of Ministers, the prime minister's post.

Gen. Ne Win, 70, has cited poor health, old age and the desire to see an orderly transition of power as the reasons for his resignation. But he will retain the chairmanship of the ruling Burma Socialist Program Party, which he created not long after seizing power in a swift bloodless coup in March, 1962.

Observers in Rangoon, the Burmese capital, believe it is unlikely that Gen. Ne Win —

largely spurred by sizable doses of foreign economic aid, Gen. Ne Win's immediate successor is expected to cling to the basic tenets of the leader's "Burmese way to Socialism," a combination of Buddhist metaphysics, Socialist economics and military-dominated one-party rule.

But the "Burmese way," instituted after the 1962 power seizure, has had disastrous results. The resource-rich economy was nationalized, down to stalls in the villages, with little or no compensation. Burma was once one of the world's greatest rice exporters, but its production has plummeted below World War II levels.

Twenty-two government corporations that tried to run the economy soon became known for corruption and inefficiency and spawned "State Trading Corporation No. 23," a popular euphemism for a countrywide black market that still thrives.

Gen. Ne Win had the makings of a popular leader, but power transformed him. Fearing assassination — there were several attempts — he rarely appeared in public, always traveled under heavy guard and never gave a news conference. He remains a reclusive spending much of his time in a heavily

guarded lakeside villa on the edge of Rangoon. Once known as a playboy and gambler, he banned gambling, closed night clubs and preached strict, traditional morality. This, however, did not stop him from enjoying horse races during his many trips abroad or from marrying six times.

Periodic riots in the country have been put down by force, and thousands of dissenters jailed. Although most were later released, there have been persistent charges of human rights violations. Amnesty International's latest report on Burma said that during 1980 it received "reports of the imprisonment and torture of actual and alleged members of the opposition."

In recent years, Gen. Ne Win has shown signs of mellowing personally and politically. He offered amnesty to insurgent groups and old enemies, handed out awards and cash payments and took more interest in Buddhism. This has been variously interpreted as atonement for past deeds motivated by religion, a desire for untroubled final years and a concern for his place in history.

Gen. Ne Win also put Burma on a path of genuine neutrality, managing to keep the United States, the Soviet Union and China at a healthy distance.

High Unemployment

In Wallonia — the slumping south with its obsolescent textile, steel and metal-working plants — the leftist Socialist Party held its ground with more than a third of the total vote. And in both areas, the Liberals, who are to the right of center, posted strong gains.

The Flemish Socialist Christians and the Walloon Socialists formed the last government, which fell apart because of their inability to agree on subsidies for the ailing steel industry. Unemployment, running at more than 12 percent, is higher in Belgium than in any other Common Market country, and Wallonia is littered with derelict industrial sites.

Mark of Censure

The final results for the 212-member Chamber of Representatives showed the Flemish and French-speaking Socialists winning 61 seats, the same number as the Social Christians, who have dominated Belgian politics since World War II.

Social Christian leaders from Flanders and Wallonia have voiced the possibility of their party going into opposition. But the prospect of a coalition between Liberals and Socialists appeared slim, given the sharp divergences of policy between the two groups.

The Social Christians lost 14 seats in Flanders, falling to 43 seats, while their French-speaking partners in Brussels and Wallonia lost seven seats and now have 18.

Czech Leader Reveals Economic Difficulties

VIENNA — Czechoslovakia, whose government was boasting only 10 months ago of rising national prosperity, has joined Poland and Romania among Eastern Europe's economic basket cases, according to a speech by Premier Lubomir Strougal.

In a grim account to the party's Central Committee last week, Mr. Strougal disclosed that Czechoslovakia was having balance-of-payments difficulties not only with Western trading partners but with its Communist neighbors as well.

He also listed failures in energy production, agriculture and the construction industry.

Imports Reduced

On the trade and payments problems, Mr. Strougal noted that 67 percent of Czechoslovakia's foreign trade was with members of the Moscow-based Council for Mutual Economic Assistance, and said:

"We are trying to achieve a mutual balance in trade with individual Socialist countries. This leads to the fact that some previously planned imports of raw materials and refined fuels had to be reduced in view of our payment limitations." He then turned to the energy

sector, saying: "We consume too much energy, we do not utilize it sufficiently in the final products, in the created national income. The main reason for high demands for energy in the national economy is to be found in the unsatisfactory effectiveness of the Czechoslovak economy."

Shortfalls in strip mining of lignite in north Bohemia and in the extraction of bituminous coal at Ostrava-Karvina have caused the government to impose electricity and heating reductions for November and December, he said.

He also forecast "a very tense situation" next year in the supply of fuel and light fuel oils, adding: "There is no other way to cut absolute consumption of these products by 12 to 13 percent as compared to 1980. This means a lowering of transport and cuts in transport."

Agriculture has also fallen behind the targets of Prague's central planners, he said, mentioning that the grain harvest was 1.6 million tons below forecasts. This, he said, means that Czechoslovakia will have to import an extra 500,000 tons of grain, undoubtedly from Western suppliers.

Although Mr. Strougal did not suggest that the agricultural failures would lead to food shortages, (Continued on Page 2, Col. 6)

Begin Says Israel to Concede Nothing More

JERUSALEM — Prime Minister Menachem Begin said on Monday that Israel has made "the utmost concessions" for peace and accused the European Economic Community of pressuring his government to accept the Saudi Arabian peace plan.

Describing the plan proposed by Crown Prince Fahd as the "Saudi liquidation program," Mr. Begin said Israel has given up on some areas and "beyond this we can't make any concessions."

The prime minister said that the EEC has been waging "a campaign of pressure, which, of course, we will not accept, nor shall we succumb to that pressure" to accept the Saudi Arabian plan. Israeli Foreign Minister Yitzhak Shamir angrily attacked U.S. military and political support for Saudi Arabia on Sunday and also spoke of no more concessions to the Palestinians.

Jordan's King Hussein predicted on Sunday that Israel's reluctance to grant concessions would eventually force the United States to reassess its Mideast policies. Until there is such a reassessment, "all efforts of peace will probably run into a solid wall of Israeli intransigence," the king said on a U.S. television program.

In London, Prime Minister Margaret Thatcher said on Monday that Britain, Italy, France and the Netherlands are "disposed" to contribute to a Sinai peacekeeping force "if an appropriate basis for participation can be established." At the same time, Mrs. Thatcher and Italian Premier Giovanni Spadolini reaffirmed at a news conference their commitment to

the 1980 Venice declaration on the Middle East by the 10 EEC nations.

Neither Mrs. Thatcher nor Mr. Spadolini would say when a formal announcement of participation by the four countries might be made. A joint announcement and an accompanying Mideast policy statement by the EEC have been expected for several days.

Fahd Plan

Prince Fahd has proposed an eight-point peace plan calling for Israel's withdrawal from all occupied Arab lands and the creation of an independent Palestinian state with East Jerusalem as its capital.

It is "astounding and painful" to hear words of support from Europe and the United States for the Saudi plan, Mr. Shamir said. "We regret this very much, but it will not change or weaken our total and unreserved rejection of it."

Mr. Shamir's attack also was aimed at British Foreign Secretary Lord Carrington, who said on Sunday that the Saudi Arabian proposal showed a radical new Arab willingness to recognize Israel. Lord Carrington visited Saudi Arabia last week to discuss the plan as a representative of the EEC.

The plan "shows a will on the part of the Saudis and the moderate Arabs to negotiate a peace settlement which 10 years ago was not really the case," he said in a British TV interview.

While Israel appeared to toughen its stand on Palestinian autonomy, the Begin government took a major step in plans tied to the scheduled April return to the Sinai peninsula to Egypt. The prime minister officiated at the opening of a new air force base in the Negev desert, one of two built by the United States (Continued on Page 2, Col. 4)

Northeast Africa: a Complex Array of Alliances Nations Wage Mini-Battles Amid Constantly Shifting Pacts of Convenience

By Alan Cowell New York Times Service KHARTOUM, Sudan — A French diplomat was musing once on a reporter's question about the scope of an African war. Had there been any big battles? the reporter asked. The Frenchman sighed and shrugged and then said, "Moon other, in Africa, there are never any big battles."

The generalization does not hold true for every African war in recent times, but it does characterize the sputterings in the continent's northeast where surrogates are enacting a confrontation in miniature between East and West, and where alliances of convenience shift with sometimes surprising haste.

Predictably, a principal player is Libya's leader, Col. Moamer Qadhafi, who is reported to be continuing to withdraw at least part of his force of more than 4,000 men from Chad. Sudan, Ethiopia and Somalia are also involved in the kaleidoscope of alliances, constantly melting and reforming, that link the southern rim of the Arab world to Africa.

The most recent grouping involves Libya, Southern Yemen and Ethiopia, three allies of the Soviet Union that Col. Qadhafi envisions as an axis to oppose the region's Western-looking nations. Glued by promises of Libyan economic aid, the alliance is not, however, a solid bulwark. Ethiopia has a separate understanding with Sudan, a friend of the United States, that is dictated on both sides by a pragmatic appreciation of the damage these neighbors could inflict on each other.

Thus, the Ethiopians have promised to rein in disgruntled southern Sudanese opposed to the Khartoum government of President Gaafar Nimeiri. And Gen. Nimeiri has promised to curb Eritrean and Tigrayan rebels who have challenged Lt. Col. Mengistu Haile Mariam's reign in Addis Ababa from sanctuaries in Sudan.

The Ethiopian leader feels no need for such an understanding with Somalia, a pro-Western neighbor defeated by Ethiopia in the 1977-78 Ogaden war. Col. Mengistu gives sanctuary to a Libyan-financed group that is seeking to overthrow the Somali leader, Gen. Mohammed Siad Barre. He, in turn, backs the West Somali Liberation Front against Col. Mengistu.

In this array of small armies, few of which can hope to achieve straight-out military victories, the Sudanese back an anti-Libyan group in Chad, the Libyans are trying to form a Sudanese "salvation front" against Gen. Nimeiri and there is a Sudan-supported Libyan "salvation front" opposed to Col. Qadhafi.

The best-known conflict perhaps is in Eritrea. In what has become Africa's longest-running war, separatists have been seeking to wrest control of Tigray and Eritrea

the feeling is mutual. Ironically, Col. Qadhafi played a central role in helping Gen. Nimeiri defeat a Soviet-backed coup attempt in 1971. But shortly afterward, Gen. Nimeiri broke with the Kremlin and sought the friendship of Washington, thereby aligning himself with Col. Qadhafi's enemies.

To complete the triangle, Col. Mengistu is balanced between Sudan and Libya. The Ethiopian leader needs Libyan funds to help finance the extensive Soviet and Cuban arms buildup in his country. At the same time, he is seeking to minimize the threat from separatists that necessitates heavy military spending. This may explain why Col. Mengistu has resisted Libyan pressure to depict their agreement with Southern Yemen as anti-Sudanese.

Less Equivocal

The Sudanese are deeply concerned about Col. Mengistu's recent tryst with Col. Qadhafi. Yet, on the surface, they are making every effort to avoid a rift with him over the Ethiopia-Libya-Southern Yemen alliance. Gen. Nimeiri's prime concern, a Sudanese official said, is to forestall any Ethiopian encouragement of the southern Sudanese, traditional opponents of northerners like himself, that would add to an already volatile situation in the troubled south of his country.

Gen. Nimeiri's relationship with Col. Qadhafi is far less equivocal. The Sudanese leader makes no secret of his willingness to see his Libyan counterpart overthrown and

INSIDE FAO in Trouble

The Food and Agriculture Organization, the oldest and largest of the four world hunger relief agencies based in Rome, is facing the most serious challenge to its activities since its founding in 1945. Page 6.

GNP in U.S.

The U.S. gross national product, after adjustment for inflation, is likely to fall at a 3-to-3.5 percent annual rate during the current quarter, Treasury Secretary Donald Regan says. Page 11.

Will Durant Dies

Pulitzer Prize historian Will Durant dies in Los Angeles, just two days after his 96th birthday, without having been informed of the death of his wife and collaborator, Ariel, 83, who died two weeks ago. Page 6.

Saudis Report Israeli Intrusion of Airspace

RIVADH — The official Saudi Arabian news agency said Monday that Israeli jets invaded Saudi airspace over northwestern regions of the country and were chased away by Saudi jet fighters.

The first broadcast by the Saudi radio called the incident an attack, but a later report said only that the jets had violated Saudi airspace.

In Washington, Larry Speakes, the deputy White House press secretary, declined comment except to say that President Reagan had been informed by his chief of staff, James A. Baker 3d, that Israeli jets had entered Saudi airspace and had left "on their own accord." U.S. government spokesmen said that Israeli military planes twice entered Saudi airspace, but that there was no report of any gunfire. They operate there lots of times,"

a source said. "It is common knowledge that the Israelis fly across the border to check things out."

The reported violation comes at a time of increased tension in the Mideast following the U.S. congressional approval of an \$8.5-billion arms package to Saudi Arabia, which provides 20 percent of U.S. imported oil.

Away From Oil Fields

A terse communique broadcast by the official Saudi state radio said the violation occurred in Saudi Arabia's northwest region about 105 miles (168 kilometers) from the Red Sea coast.

In Tel Aviv, the Israeli military command spokesman refused to comment on the Saudi report. "The military never gives any details on its flights, not in the

North, the South, the East or the West," an Israeli spokesman said.

The location of the reported violation is hundreds of miles away from Saudi Arabia's Gulf oil fields. The region is about 130 miles (208 kilometers) from Israel's southernmost border. A military air base is located in the vicinity, at Tabuk.

There was no Saudi description of the number or type of planes involved, Israel and Saudi Arabia both use U.S.-built aircraft.

The communique did not use the word "attack." But in a message during the communique, the Saudi state radio said that "enemy planes attacked the kingdom's northwest."

The Gulf News Agency, reporting from Bahrain, also used the word "attack" in its first report of the incident. The Saudi communique did not

mention whether U.S. radar reconnaissance planes stationed in Saudi Arabia had detected any Israeli aircraft. The Airborne Warning and Control Systems planes had been sent to Saudi Arabia to monitor air traffic in the Gulf region after the outbreak of war between Iran and Iraq in September of last year.

U.S. Arms Deal

The U.S. arms package for Saudi Arabia includes five of the sophisticated radar aircraft — an arrangement that has angered Israel.

The Saudis have said privately that Israeli military jets recently have been violating their northern airspace, but there have been no reported incidents of air clashes. Israeli planes passed over northern Saudi Arabia before attacking and destroying Iraq's nuclear reactor in June.

Bible Smuggling in China Clouds Upcoming Visit by U.S. Clergymen

By John Dart
Los Angeles Times Service
CLEVELAND — The first U.S. senior-level church delegation to make an official visit to Protestant churches in China will leave this week, hoping that recent Bible-smuggling operations have not undercut its mission.

The 16-member team of the National Council of Churches will begin an 18-day tour Thursday at the invitation of China's two government-recognized Protestant agencies, the China Christian Council and the Three-Self Patriotic Movement.

American and Chinese church representatives have insisted that the best way to ensure a continuation of the new religious tolerance in China is to show that Chinese churches can re-establish themselves without falling back into dependency on Western missionaries that was typical of the era before 1950.

Shades of that dependency appeared when an international

Bible-smuggling organization announced last month that it had unloaded more than a million Chinese Bibles on a Chinese beach near the village of Gezhon in June.

Despite the dumping of some Bibles in the sea by police, and the temporary jailing of some Chinese near the end of "Project Pearl," more than 80 percent of the Bibles were distributed, according to Ed Netejand of Orange, Calif., executive director for the North American headquarters of the Dutch-based Open Doors With Brother Andrew.

Han Wen-zao, the assistant general secretary of the China Christian Council who was in the United States when the Bible-smuggling account appeared in the press, said that these stories will lead Chinese leaders to view Western Christianity as a political threat.

"It makes people in China think Christianity is dangerous and that the Bible is contraband," he said.

The Rev. M. William Howard, outgoing president of the National Council of Churches, said here that the Chinese church hosts for the visit of the Americans know "we had nothing to do with it and they should be able to tell that to the government."

But William P. Thompson, stated clerk of the United Presbyterian Church and another member of the U.S. tour group, said he does not believe that Chinese government officials will make a distinction between various groups of American Christians.

The Bible smuggling, Mr. Thompson said, may put into question the loyalty of Chinese Christians. "It often results in strictures on their freedom," he said.

In defending Open Doors' operations, which began years earlier and continue today in various ways, Mr. Netejand said his organization is simply responding to requests from Chinese Christians.

There is disagreement just how scarce Bibles are in China. Mr. Han said the shortage is not as serious as reported. Kenneth B. McIntosh, a United Methodist Church official, added that he was impressed on a recent trip to China with the number of people carrying old, worn Bibles.



EGYPT-BOUND TROOPS — Troops of the 24th Infantry Division board a military transport at an airport in Savannah, Ga., to fly to Egypt to take part in the desert warfare exercise of Operation Bright Star 82. Some of the 4,000 U.S. Army and Air Force troops began arriving Monday at an air base near Cairo to participate in exercises with Egyptian troops.

U.S. Supreme Court to Rule On Release of Data on Yazdi

WASHINGTON — The Supreme Court agreed Monday to decide whether the Washington Post may look at State Department documents that would confirm whether two prominent Iranians are U.S. citizens.

The justices will hear an appeal by the State Department that releasing the information could endanger the men's lives.

The department wants the high court to reverse a ruling that declared a person's citizenship is not "an intimate personal detail" under the Freedom of Information Act and must be disclosed by a government agency.

The Iranians are Ibrahim Yazdi and Ali Behzadnia. Mr. Yazdi left his position as Iran's foreign minister shortly after the 1979 takeover of the U.S. Embassy in Tehran. He is one of 13 parliament deputies facing expulsion because of their moderate political stance. Mr. Behzadnia had been a sen-

ior officer in the Iranian Ministry of National Guidance and was last heard from as head of the Iranian Red Crescent — that nation's equivalent of the Red Cross.

The controversy began when the Post published a story that Mr. Yazdi became a naturalized American citizen in 1971 and he had not renounced his U.S. citizenship. The Post said the source of its information was the U.S. Immigration and Naturalization Service.

The Post filed a request under the information act for State Department documents that would show whether either man was a U.S. citizen or held a U.S. passport.

The department refused, citing a provision in the law that exempts from disclosure "personal and medical files and similar files ... which would constitute a clearly unwarranted invasion of personal privacy." It warned, "any individual in Iran who is suspected of being an American citizen or of having American connections is looked upon with mistrust."

The Post filed suit to gain access to the documents. A federal district judge ruled in favor of the newspaper, as did the U.S. Court of Appeals for the District of Columbia.

Belgian Elections Fail to Produce Winner

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coalition would have to draw its main electoral support from Flanders, where the rightist Flemish nationalist party, Volksunie, gained six seats to reach 20.

The further polarization of politics along regional lines threatened to worsen tensions between Flanders and Wallonia. The composition of a coalition will be complicated because all three main political groups are split into two parties, one for Flanders and another for French-speaking Brussels and Wallonia. Often the two wings of a single party are hostile to each other.

A logical outcome of the election would be a coalition between the Social Christians and the Liberals, leading to a stern economic program designed to halt the growth in wages and fringe benefits and to attract foreign investment. Some Social Christian leaders are known to favor such a plan.

Both parties favor reducing public expenditure, and both favor the deployment of U.S. Cruise missiles on Belgian soil. Together they would give Belgium its most united government in recent years.

But a Liberal-Social Christian coalition would be seen as a power play by the Flemish, who were for centuries the economic and political underdogs in this region but have emerged in the postwar years as the dominant force in Belgium.

Regional Strike Settlement Falters in Western Poland

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that he was ready to discuss any issue.

The issues suggested on Monday by Solidarity's president were: a social council for control of the economy, union access to the mass media, economic reform, self-management and democratic elections to local councils, the rule of law and price reform.

Mr. Brunne said that the union president had appointed men subordinate to Mr. Walesa to handle the negotiations and added that Solidarity was open to counterproposals from the government.

The possibility of the union joining with the Communists in some form of coalition, which has caused dissension among rank and file members of the union, would be covered in discussions on local elections, the spokesman said.

Local elections, due early next year, will be the first since Solidarity's emergence as a popular mass movement.

The rapprochement between the Communist Party and Solidarity has provoked a struggle inside the

Sunni Moslems Clash With Police in Karachi

KARACHI, Pakistan — Eleven persons were injured when Sunni Moslems clashed with security forces Monday in the second consecutive day of disturbances, officials said.

The demonstrators, angered over the destruction of mainly Sunni-owned property in Sunday's clashes with minority Shites, were attempting to reach a Shiite religious center when they were stopped by the security forces. Sunday, 84 persons were hurt in the worst inter-communal rioting here in years.

Iran Writer to Go on Trial

LONDON (Reuters) — A leading Iranian writer and politician, Abolfazl Qassemi, will go on trial in a military court on Tuesday on charges of cooperating with exiled former Premier Shahpur Bakhtiar, Tehran newspapers said.

Mr. Qassemi, 60, leader of the nationalist Iran Party, is charged with receiving money from Mr. Bakhtiar.

Begin Bars Concessions

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to replace the bases Israel will lose in Sinai.

Anglo-American Talks

LONDON (Reuters) — British and U.S. officials will meet in Washington this week to discuss the Middle East, a topic that has caused a rare diplomatic upset between the two allies.

The Foreign Office said Monday that minister of state Douglas Hurd will be in the United States from Wednesday until Friday for talks with State Department officials.

China Accuses U.S.

PEKING (Reuters) — China accused the United States on Monday of vacillating over the Saudi Arabian peace plan and giving the Soviet Union an opportunity to increase its influence in the region.

The Chinese news agency said in a commentary that after showing initial interest in the plan, Washington had yielded to Israeli pressure and now was having second thoughts about the proposals.

Czech Tells Difficulties

(Continued from Page 1)

he did indicate that the meat supply was growing tight and that production of fruits and vegetables had fallen off.

Finally, Mr. Strougal, who as premier is charged with overseeing the economy, declared that "particularly the building industry" had lagged behind planned targets. Last Christmas, Prague officials were boasting of the hundreds of thousands of new housing units completed. Now, he said, a reduction of investment money would "limit the start of new construction."

According to a friend and admirer of Mr. Strougal from another East European country, the premier is virtually alone in trying to improve Czechoslovakia's economic lot. The friend quoted him as saying recently, "If things go on this way, we'll have to put up signs on the frontier saying, 'Entering Czechoslovakia, the Museum of an Industrial Society.'"

18 Die in Crash Of Mexican Plane

MEXICO CITY — A Mexican airliner crashed in the mountains southwest of Mexico City Sunday night killing all 18 persons aboard, airline authorities said Monday.

The Aeromexico DC-9 crashed into a mountain slope, burst into flames and the blazing wreckage plunged down a slope near Altamirano, 120 miles (192 kilometers) southwest of Mexico City.

All 12 passengers and six crew members died in the accident, an Aeromexico spokesman said. The plane crashed shortly after taking off from the Pacific resort of Acapulco for the western city of Guadalajara, the spokesman said.

Fire Bomb in Frankfurt

FRANKFURT — A fire bomb exploded near the home of foreign news editor Robert Heid of the daily newspaper Frankfurter Allgemeine on Sunday. It caused negligible damage and no injuries, West German police said Monday.

China Reported Concerned Over Unclear U.S. Policies

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good the U.S. administration into intervening in China's internal affairs and bolstering Taiwan militarily to resist the Chinese government's efforts for peaceful reunification of the country," the Chinese news agency said in a signed commentary from Washington.

The commentary criticized the author of the article, Edward N. Luttwak, by name and bluntly warned the Reagan administration that such sales would force Peking to pull back in its relationship with Washington.

The agency called "comical" the article's reasoning that Washington's fulfillment of its pledge to Taiwan not to cut off military supplies to the nationalist government would prove it to be a "reliable ally."

"Should the United States actually choose to prove its 'reliability' by persisting in interfering in China's internal affairs as Luttwak suggests, well, China will have no alternative but to pull itself back from this 'reliable partner,'" the commentary said.

WORLD NEWS BRIEFS

Beirut Plan Accepted by Gemayel

BEIRUT — Rightist Christian militia leader Bashir Gemayel on Monday announced his acceptance of a plan by Arab mediators to demilitarize the "Green Line" dividing the Christian and Moslem sectors of Beirut.

However, another Christian leader, Camille Chamoun, imposed stiff terms for acceptance by his rightist ally, the Lebanese Front. Mr. Chamoun said that Christians would demand the "total withdrawal of Syrian forces from the central area, the demarcation lines from Beirut and Zahle," in eastern Lebanon as a condition for accepting the committee's proposals. Otherwise, he said, the plan would be "flatly rejected."

He also said that the Christians would agree to a coastal blockade in an effort to end the supply of illegal arms only if the traffic of Palestinian arms through Syria was halted.

Trial Set for Accused Sadat Assassins

CAIRO — The four accused assassins of Sadat will go on trial next week before the Supreme Military Court, and the proceedings may be public, Defense Minister Mohammed Abdel Halim Abur Ghazala said on Monday.

A Cairo newspaper said an undisclosed number of army officers have been put on military trial "for negligence of duty" that made it possible for Sadat's assassins to carry out their crime. The four assassins, alleged to be led by Lt. Khalid Ahmed Sawicki of Ismailiyya, assassinated Sadat during a military parade on Oct. 6.

Mayo, the official newspaper of the ruling National Democratic Party, said on Monday that the crackdown against Moslem fanatics has included Communists for the first time since the assassination. It said that 65 Communists were arrested last week in addition to about 700 Islamic fanatics detained since Sadat's murder.

South Africa Pilots Down Angola Jet

PRETORIA — South Africa said on Monday that its jets fought an aerial dogfight with two Angolan MiG-21 fighters near the Angolan border, downing one plane and allowing the other to escape.

A defense headquarters spokesman said that the incident occurred Friday in the operational area which stretches from the northern South-West Africa border into southern Angola. He said the South African pilots downed one of the MiG-21s, but purposely allowed the other to escape.

The Angolan news agency said over the weekend that South African fighter planes attacked Cabinda, 180 miles (290 kilometers) north of the border, last Thursday. The attack was followed the next day by another raid at Malondo 120 miles (190 kilometers) inside Angola. The Angolan report said an Angolan MiG-21 was shot down in that attack.

IRA Calls Killing 'Unintentional'

BELFAST — The IRA Monday said that its guerrillas "unintentionally" killed a 17-year-old Protestant youth in a bomb attack intended for his father, a part-time local member of the British Army's Ulster Defense Regiment.

A statement by the overwhelmingly Roman Catholic IRA's Provisional wing issued through the Republican Press Center claimed responsibility for Sunday's attack in which Trevor Foster was fatally injured when his father's body-trapped car blew up as he started it near Lisnaldi, County Armagh.

The IRA statement said the youth was "unintentionally killed in mistake for his father." Catholic and Protestant church leaders Monday condemned the attack.

Red Cross Concerned by Its Failures

MANILA — The International Committee of the Red Cross criticized both Iran and Iraq Monday for their treatment of prisoners of war and other victims of their conflict.

At the same time, it expressed deep concern that it was not permitted to offer protection and assistance in Afghanistan, the Western Sahara and parts of the Horn of Africa.

In a report to a commission of the International Red Cross conference, which opened in Manila Saturday, President Alexandre Hay said such failures "should be felt by the very powers that invested the ICRC with the authority it exercises in protecting, defending and aiding victims of armed conflict, which is to say by virtually all of the countries of the world."

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El Salvador Lava Bed Pump for

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In El Salvador's War, A Lava Bed Becomes A Dump for Victims

By Juan M. Vasquez
Los Angeles Times Service

SAN SALVADOR — Beyond the western slope of the volcano of an El Salvador lies an extensive lava bed that has become a landmark of the civil war that is engulfing the country.

On most maps, El Playón de San Marcos, 20 miles (32 kilometers) northwest of the capital, is unmarked, but it is not hard to find. The best signposts are the light of bloated vultures, some too fat to fly, and the unmistakable smell of death.

Once the place was a mere garage dump. It is still littered with moldering trash and rock. But it has become something more — a dumping ground for unknown corpses, victims of the Salvadoran struggle.

Continuous Discoveries

The continuous discovery of bodies at El Playón is evidence that, in spite of the appearance of tranquillity in the capital, the absence of recent publicized assassinations, and the reopening of a political dialogue among parties of the center and right, there is still a great deal of savage killing taking place.

The bed of lumpy black lava is about a half mile wide and three miles long and intersected by a paved highway. Some victims are averted thrown onto the side of the road, where they lie among glaucous yellow sunflowers. Other bodies lie farther back in the lava bed, and to walk around El Playón is to confront a hideous scene of human carcasses and sun-bleached bones.

Usually, the bones have been picked clean by vultures, which can be seen squatting on the limbs of a nearby tree. At least 40 skulls are scattered about in the lava field. Skeletal remnants — a rib cage, a femur, parts of a backbone — lie in jumbled heaps.

It is impossible to tell how many human beings have been dumped at El Playón.

50 Corpses Found

Victor Javier Cardona, a man who identified himself as the secretary of a judicial officer in a nearby town, has estimated that since June he had "registered" at least 40 corpses discovered in El Playón. Why aren't they buried? "Well, no one wants to help. No one wants to have anything to do with this place."

No government agency wants to get involved either. Not long ago, he beleaguered Human Rights Commission of El Salvador would see to it that such bodies were properly buried, no matter where they were found.

Now, a member of the agency comes along and simply takes pic-

tures of rotting corpses. As does Mr. Cardona, the agency representative notes the date, the clothing of the victim — if any is left on the body — and whatever physical characteristics can be discerned.

As Mr. Cardona spoke casually to a group of foreigners recently, vultures feasted on a rotting body that lay no more than 25 feet (7.5 meters) away. "Sometimes a week goes by without a body turning up," Mr. Cardona said. "One day last month we found 12 bodies in a heap. At least we think it was 12. It was hard to tell."

Most of the victims are males under the age of 30 and many bear the marks of mutilation and torture.

A person who visits El Playón frequently and did not want to be otherwise identified offered a wary reply when asked who is responsible for the dumping of bodies.

"Well," he said, "all I can say is that the army goes up and down this road a lot and they have a garage nearby. Nobody would dare to keep using this place to dump bodies if they were afraid of the army finding out or if any of the bodies belonged to soldiers or friends of soldiers."

A member of the Human Rights Commission said there were other "clandestine graveyards" scattered around the country.

In his Sunday sermon at the Metropolitan Cathedral, Acting Archbishop Arturo Rivera y Damas referred to the continued killings and mentioned the activity of rightist groups. Many victims, he said, are "simply persons who have fallen under suspicion or have been denounced by others."

"Contributing to this is the impunity under which the paramilitary groups operate," he declared, "particularly the Squadron of Death." The Squadron of Death is a clandestine rightist group.

Talking to reporters after he celebrated Mass, Archbishop Rivera y Damas said that his concern was prompted in part by reports he had received from the Legal Aid Office of the archdiocese that the number of killings picked up last week. About 250 civilians were assassinated according to the reports, Archbishop Rivera y Damas said, a relatively high toll for one week in El Salvador.

Opposition Leader in N.Y.

NEW YORK (NYT) — The head of the Democratic Revolutionary Front, a coalition of leftist groups opposed to the U.S.-backed junta in El Salvador, has accused the Reagan administration of misleading the American public about the civil war in his country to gain support for increased military aid.



A woman guerrilla in Quaddai province of the insurgent army led by Chad's Hissène Habré wears a traditional headress.

Goukouni Says African Force Is Expected in Chad Shortly

NDJAMENA, Chad — President Goukouni Oueddei said Monday that he expected the first contingents of an inter-African peace-keeping force to arrive in Chad shortly.

Mr. Goukouni said that he was satisfied with the pace at which Libyan troops were being withdrawn from his country.

According to residents near Ndjamena airport, up to 10 planes leave each day to fly out the more than 4,000 Libyan troops which have been in the country since Libya intervened 11 months ago to help Mr. Goukouni end a civil war.

The Libyans began withdrawing last week at Mr. Goukouni's request. They are to be replaced by the six-nation African force.

"Strategic Needs"

Mr. Goukouni said that the force "will be deployed throughout the Chad territory to meet strategic needs."

This appeared to clear the way for movement of the force in the eastern region of Chad where rebel guerrilla forces of former Defense Minister Hissène Habré have been operating for the last 10 months.

The force is to be made up of contingents from Nigeria, Senegal, Benin, Togo, Guinea and Zaire and to receive logistical support from Gabon and France.

French officials who met Mr. Goukouni here Sunday told him that France was prepared to fly Zairian troops to Chad "as soon as

Goukouni gives us the word," informed sources reported.

In Bangui, the capital of the Central African Republic, Zairian President Mobutu Sese Seko announced Monday during a stopover on his way back from the French-African summit meeting in Paris last week that the first contingent of Zairian troops sent to Chad were arriving or about to arrive there.

"We certainly are the first ones to arrive there," he said, adding that his government would provide financial support for the troops while arrangements were being worked out for the maintenance of the entire force backed by the Organization of African Unity.

In Brussels meanwhile, former Zairian Premier Nguzza Karl J. Bond urged the OAU not to allow Zairian troops in the force.

Syrians Vote to Elect New Peoples Council

DAMASCUS — Syrians began voting Monday to elect a new 195-member Peoples Council (parliament) for a four-year term.

Interior Ministry sources said 45 candidates from the National Progressive Front, led by the ruling Arab Ba'ath Socialist Party, had been returned unopposed. A total of 1,558 candidates were running for the other seats, the sources said. Ninety-nine of the seats were reserved for workers and peasants.

Ethiopian Revolution Slowly Improving Life of Peasants

By Charles T. Powers
Los Angeles Times Service

ARICHO BARIVA, Ethiopia — When the Ethiopian revolution came to this mountain region in 1974, it gave Amano Abduro, who had never had anything, eight steep acres of his own to plow. He lives with his wife and three children in a windowless hut of sticks and straw, the way his people have for hundreds of years.

His shoes are stitched together with string, the clothes of his children are rags and his finest possession is a single blue plastic cup, vainly wiped of charcoal and grass, in which coffee is offered to a visitor.

But Amano Abduro has his land. And the landlord, Haji Omar, is gone. These facts are of truly revolutionary importance to a humble and blamelessly ignorant young man who, at the age of "about 30," has only recently learned to read and write his name.

Even his short-term goal seems as remote as the capital of Addis Ababa, 350 miles (560 kilometers) to the northeast, which he has never seen. "I want to buy a cow," he said.

No Money

Amamo Abduro has no money to buy a cow. He has no money to buy food for his family, which is able to eat now because the peasants' association of the village gets barley meal from the government. With the vegetables of last season gone and those of next season not yet grown, there is nothing else.

Aricho Bariva is made up of about 30 huts, identical round dwellings with peaked straw roofs, doorways all facing south, running like stepping-stones down the fold of a mountain valley, 12,000 feet (about 3,650 meters) above sea level.

A road runs above the village, opposite the mountain. Now and then the steady whine of trucks can be heard as they haul their way through the highland country to Ethiopia's eastern Bale Plateau.

Given the look of the country in passing, this could be a place of happy peasant families, living comfortably from the land, unperturbed and unpolished by politics and modern life. But it is a place of sickness, poverty and ignorance.

Ties to Land

Aricho Bariva is a new village, although the people and their ancestors have always lived near the valley. They were grouped here by the revolutionary government, which is attempting to teach the people that they can live better by living together. The government has had more success in this region than in others, which are more remote and where government influence is tenuous.

It is often claimed in Addis Ababa, by government officials and diplomats, that the real success of the revolution can be seen in the countryside. "There is no question," a diplomat said, "that the people in the rural areas are much better off now than they were before."

However, some Ethiopians, often city people whose lot has been decidedly unimproved by the revolution, argue that changes in rural life have been negligible. "People are living out there the way they have for a hundred years," an Addis Ababa office worker said.

Support for both arguments can be found in Aricho Bariva and in the house of Amano Abduro, which was unexpectedly blessed late one recent afternoon with the gift of a sheep, bought for \$11 far down the road.

Big Welcome

The sheep and the visitors, back after a brief stop two days earlier, were inspected and welcomed by a delegation that included the chairman of the peasants' association.

The sheep was slaughtered with the customary Moslem prayers of the Oromo people. The liver was handed around raw to the children, ages 1, 2½ and 4. Amamo Abduro passed the pot of meat and talked in the Oromo language about the revolution. "The revolution is good," he said. "I have land now."

There were other things, too. "They bring medicine now. They are teaching us to read and write. They teach my wife. They will teach my children."

It was over dark when the food was finished. The village was silent.

Amamo Abduro and his friends led the guests to the hill above the hut where the villagers were building a school. It was unfinished, with wide gaps between the planks of the wall, and a small fire burning in the center of the dirt floor. An old man, Wati Wadu, who was permanently assigned to guard the building at night, murmured his prayers in the corner. Six or seven younger men gathered around the fire with Amamo Abduro to talk.

Over Mountain

The village, they said, was three years old.

"Before," Amamo Abduro said, "I lived on the other side of this mountain. Once all the land here was owned by Haji Omar. He owned 30 pashas [almost 320 acres] of land. We all lived on his land. My father lived on his land and my father's father also. Haji Omar collected from what they harvested and left some for us. Sometimes he took sheep or cattle."

This was in the days of Emperor Haile Selassie, who ruled Ethiopia for 53 years. The landlords like Haji Omar took 60 percent to 75 percent of what the farmers raised. The Coptic Christian Church would take 10 percent or more of what was left.

Then, in 1974, after there had been two years of stories of starvation elsewhere in the country and crops had failed everywhere, radio reports in the Oromo language, coming from Addis Ababa, said Haile Selassie ruled no more. Young people from the city came to the country and told the people that they could take the land, form an association and divide the land among themselves.

The peasants of Aricho Bariva formed a militia and went to Haji

Omar's house, which was much like their own, only bigger and surrounded by a fence and cattle pens. The house was burned and the cattle divided. Haji Omar fled to the forest, but he was captured. He died, after a couple of years, of a sickness.

Leaders Elected

The people elected leaders for the peasants' association. More young people came and taught them about Socialism. Others came and began to teach the people how to read. Finally, the government said that the peasants would be better off if they left their scattered homes and moved together in this valley.

"They said it was because the road ran nearby," said one of the men. "They said we could have a school for our children and a shop to sell food."

Those things are not yet finished, but the government does provide food during hard times — and these are hard times because the crops for the last two years have been poor — and it brings some medicine. "They came this morning," Amamo Abduro said. "They gave us pills for fever, coughing and headache."

Sickness is always a problem. There is dysentery because the idea of sanitation is new to the people here. Government workers

have told them about building latrines, but only a few have been built and they are not always used. Cooking utensils and the old tin cans that serve as cups are washed crudely, if at all.

There is coughing — tuberculosis and other lung ailments. No one here has thought of an improvement on the small open fires that are used for cooking, heat and lighting inside the huts, filling them most of the time with a heavy blue haze.

The people, even the young, suffer from pain in their backs and joints, conditions that seem to be made worse by the cold mountain air and the crudeness of the houses. People sleep on the floor or on rough wooden platforms.

A visit to Aricho Bariva gives an indication of what the government is up against, for most of the 30 million to 35 million people in the country live in circumstances at least equally remote. Here, at least, there is a road.

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U.S. Is Reported Ready to Redesign Aid Plan for Haiti

By Barbara Crosscutte
New York Times Service

WASHINGTON — The United States is reported to have indicated that it will redesign its aid program for Haiti and help the government of President Jean-Claude Duvalier strengthen its trade and investment program.

The plan was described by senior administration officials and Haitian Cabinet ministers who had been on an official visit to the United States.

The United States will also support Haiti's request for a World Bank development study to bring labor needs to the attention of donor nations and private investors.

Haiti, meanwhile, has for the first time requested U.S. Peace Corps volunteers this year. Haitian officials said relations with the United States improved greatly after an agreement was reached in September that allows U.S. Coast Guard vessels to intercept boats suspected of carrying Haitian emigrants to the United States and to return undocumented aliens to Haiti.

Haitians said they believed that the United States had incorrectly assumed over the years that Haiti was not trying to stop the emigrants

from leaving. The visiting officials said that Haiti had not been equipped to curtail what they described as trade in human lives.

The Reagan administration has defined most Haitians as "economic" immigrants — people who have left their homes for better jobs or lives abroad — and, as such, has refused most asylum requests and ordered deportations.

Human rights organizations, however, have protested what they say are continuing acts of political repression in Haiti. Last winter, the International Freedom to Pub-

lish Committee, the PEN American Center and the Lawyers Committee for International Human Rights issued reports on the arrests of hundreds of journalists and political opponents of the Duvalier regime.

In the period between the American presidential election and the inauguration of President Reagan, the human rights organizations said, every newspaper, radio station and magazine in Haiti critical of the government was closed or had its staff replaced by the Haitian government.

Larger Initiative

The administration's decision on Haiti is part of a larger Caribbean initiative announced in July by the United States, Canada, Mexico and Venezuela.

The cost of the Haitian program was not specified. The United States provides Haiti with \$26 million a year for food and development and \$750,000 in military and living assistance. Haiti, with one of the world's poorest populations and a per capita income of under \$100 a year, had fewer than a fifth of its population literate.

Any request for more aid to Haiti is likely to encounter strong opposition in the Senate and House because of Haiti's reputation for human rights infractions.

Although the United States has long been Haiti's major aid donor, it has financed extensive aid and other projects in Haiti, which shares its Caribbean island with the Dominican Republic. West Germany has also aided Hai-

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Santa Yamani and OPEC Elves

"This is exactly the dream of everybody," gushed Sheikh Ahmed Zaki Yamani, the Saudi oil minister. "It will make everybody very happy." He meant the OPEC oil cartel's new unified price policy.

Actually, it hasn't made anyone very happy, except, perhaps, the Saudis. Once again, the oil-importing nations have had a lesson they would prefer to ignore. Saudi Arabia is not a charity; Saudi oil policies serve Saudi interests.

Under the agreement reached in Geneva, many OPEC producers will cut their official oil prices by a few dollars a barrel. In return, Saudi Arabia, by far the largest exporter, will raise its price from \$32 to \$34. And it will lower production, from 9 million or 10 million barrels a day to 8.5 million. This price structure is now fixed, or so it is said, through 1982.

The agreement is a clear victory for the Saudis, who have long tried to impose a uniform price on all cartel members. By continuing to pump large volumes of oil at relatively low prices during a period of slack demand, they took customers away from the OPEC price hawks. Now the hawks, notably Libya, Venezuela and Nigeria, have capitulated.

The Saudis say they did this in part out of friendship for the West. But it isn't much of a favor to consumers. The new policy is likely to stabilize oil prices for a while. And it is

certainly preferable to a hostile Saudi Arabia cutting production to, say, 5 million barrels a day. That would send oil prices soaring again. But self-interest alone adequately explains Saudi Arabia's "moderation."

The Saudis have accumulated a large financial stake in the economic health of the major oil-importing nations. Their oil wealth underground exceeds their hoard of foreign currency, stock and precious metal. But their overseas investments have become a highly significant proportion of their net worth.

Even more important must be the Saudi fear of the effect that any short-term greed would have on the long-term value of the hundreds of billions of barrels still beneath the desert. The doubling of oil prices after the fall of the shah became a powerful incentive for importers to conserve energy and to switch to coal. There would be no gain for Saudi Arabia in a policy that drives the importers to even more saving and switching.

There is nothing surprising or particularly upsetting in the Saudis' pattern of calculation. At the moment, after all, their self-interest includes global economic stability, the containment of Soviet influence and a minimum of violence in the Middle East. The only thing worth remembering is that Saudi Arabia does not gratuitously favor its friends. It has no friends, only business partners.

THE NEW YORK TIMES.

8 Percent ...

The new unemployment figures make clear the dimensions of the recession into which the United States is sliding. There are now 8.5 million people looking for work. The rates are strikingly high among adults who are experienced workers and the primary wage earners for their families. Among all the economic statistics, this one most directly records sharp distress.

The conventional view — and certainly the administration's — is that a recession is a painful but, fortunately, only temporary lapse that will shortly correct itself as normal growth resumes. That's a rather optimistic outlook and, while it may prove to be right, you shouldn't assume that things will necessarily work out quite so easily or automatically.

The present situation recalls the autumn of 1974 when, after a year of mild recession, the economy suddenly began to collapse with frightening speed. The turnaround, four months later, and the subsequent recovery were accelerated by the customary methods. The Ford administration hastily abandoned its campaign against inflation and let the budget deficit rise to stimulate spending. The Federal Reserve Board pulled short-term interest rates down from 8 percent, when the serious trouble started, to 6 percent and less.

That isn't likely to happen again. The 1975 deficit sent an enormous surge of adrenaline into the fiscal system. The deficit, which had been small, suddenly shot up to a level that, in proportion to the present size of the econ-

omy, was the equivalent of \$140 billion. The Reagan administration can't open the emergency valves that way. It starts with a much higher deficit than President Ford did, and if it lets the fiscal 1982 deficit go much above the \$80 billion already in prospect, it will risk a panic in the financial markets.

The state of the financial markets also suggests that the Federal Reserve won't be able to turn on a steady supply of inexpensive credit as it did seven years ago. Interest rates are now falling because of the decline in business activity. But any forceful effort by the Federal Reserve to push that process is likely to have the opposite effect. Lenders remember that the recovery from the 1975 recession soon led to another great wave of inflation. If they see a deliberate effort to pump up credit, the fear of inflation may well seize the market again — as it has done several times in the past two years — and lift interest rates higher than ever. The monetary authorities haven't got much discretion.

Aggravating all the other uncertainties, the Reagan administration continues to be entangled in its fundamentally contradictory economic policy. It continues to be committed to a tight monetary policy, which pulls in one direction, while it runs large deficits that push in the other. As a practical matter it seems to have immobilized itself, and that is not the least troubling thought that comes to mind with the unemployment rate at 8 percent and rising.

THE WASHINGTON POST.

... And the Loss of Balance

Meanwhile, President Reagan, having promised a balanced budget, decides on further reflection that it's too hard. He offers the not very persuasive explanation that he never really considered it a promise, but rather a "goal."

The significance of this retreat in strictly economic terms is secondary. Although most economists think that a declining trend in the deficit would be very helpful, few attach much importance to achieving arithmetical balance on any given date. The real impact of the president's new position will be measured in people's estimation of the competence of this administration. Mr. Reagan had it right earlier this year when he spoke of the budget as a test of political control of the nation's affairs. He, like his predecessor, offered the budget as a symbol of the exercise of control and now, like his predecessor, he is wavering.

Mr. Carter came to office, like all presidents, with a list of commitments that, in practice, conflicted with each other. When it

came to choices, Mr. Carter gave priority to employment. There he was spectacularly successful, achieving a more rapid rise in the number of jobs than any other administration since World War II. But the cost was renewed inflation at a dangerously high level, and a budget deficit that remained both large and intractable.

Since Mr. Reagan's economic program is even more flagrantly inconsistent, he has now arrived at the unpleasant moment when he must choose among his many promises — or "goals." His statements of the past several days indicate that he is going to give priority to reducing the income tax. He appears to have decided to defend those tax cuts at all costs. Mr. Carter lost control of the budget through poor relations with Congress, the distractions that beset him, and his own divided purposes. Mr. Reagan seems to be deliberately sacrificing control to the single-minded pursuit of unrealistically low taxes.

THE WASHINGTON POST.

Other Opinion

Beyond a Polish 'Cease-Fire'

Having achieved a "cease-fire," the Poles must go on to a durable peace. The immediate problem is food.... But the major problem is the economic structure of the nation, which produced these scarcities. Radical changes in the structure may be called for, and the Poles must not shrink from such changes just because they seem too drastic.

—From the National Herald (Lucknow, India).

AWACS and Saudi Reciprocation

We would expect the Saudi government to discontinue its support of terrorist activity in that part of the world, and offer its support for at least the spirit of the Camp David accords. If they do not, the Reagan administration, we believe, must be judged to have given too much, and possibly jeopardized the security of Israel, for too small a return.

—From The Albany (N.Y.) Times-Union.

In West Germany, Disaffection Is the Connecting Thread

By John Dornberg

MUNICH — The question may seem somewhat obtuse, if not obscure. What, other than the fact that both events dominated the news in West Germany, is the connection between the demonstrations and violent protests that shook Frankfurt last week and the annual convention of the opposition Christian Democratic Party in Hamburg?

The answer is plenty, for both drew attention to a growing although still inarticulate expressed phenomenon of disaffection in this country to which neither the powers that be nor those aspiring to power have thus far found an effective and relative response.

There is — and had been for considerable time — something out of kilter here, and it is more than the tailspinning economy, the apparition of both leftist and rightist terrorism, or what some conveniently describe as a new youth rebellion and peace movement.

Rather, it is an alienation from the values and precepts to which West German society is reputedly committed, a disillusionment with previously acceptable goals, a ground swell of frustration, so to speak, with conservatism, promises of reforms unfulfilled, and economic growth for the sake of growth.

More seems at stake than merely a generation gap, as the large proportion of quinquagenarians and senescentarians among the

Frankfurt protesters shows, and more, too, than merely a partisan-political disenchantment of the governed with their incumbent governments.

Consider, first, the troubles in Frankfurt, a city that Germans once labeled *Köln Chikago* because of its high crime rate but that most now call *Wall Street* on the Main for its high-rise banking towers and emergence as a new El Dorado of international finance.

The central issue is a forest which the city and the state of Hesse are determined to raze in order to make room for an additional runway at Frankfurt's international airport.

In Favor of Cement

The dispute has been going on for 12 years, preoccupying courts, judges, juries and lawyers, and came to a denouement recently when a final appellate tribunal ruled in favor of cement and against the trees.

It should be explained, perhaps, that the relationship between Germans and forests, like bees and flowers, has been traditionally close, and has become more so in recent years as woods have given way to asphalt and concrete in the form of highways, airports, shopping centers and apartment-house jungles. Moreover, during the years the new runway has been on the dockets of

the judiciary, its usefulness and purpose have declined right along with the number of aircraft landings and takeoffs.

But, once started, disagreements like this develop their own dynamics.

Thus, predictably, the runway site attracted environmental protesters, many of them good law-abiding protesters from surrounding villages, who, as the judicial process moved against them, turned to civil disobedience. That is, they erected a town of squatter huts, some of them marvels of architectural ingenuity, in the disputed woods.

But such dynamics are two-sided, especially in West Germany, where the efficacy of government is usually measured by its grim determination to "govern," come what may.

Thus last week, notwithstanding its own growing doubts about the economic need for a new runway, Hesse's left-liberal government coalition of Social Democrats and Free Democrats moved to enforce the mandate it won in court. Premier Holger Börner sanctioned police action against the squatters.

The cops moved in like an invading army and proceeded to be considerably less civil than the disobedients. To complicate matters, the executive action was undertaken at a time when runway opponents were still collecting

the 200,000 signatures needed to initiate a statewide referendum on the matter.

Angered by the roughness of the police and by what they considered the breach of a promise to wait until the referendum petitions were filed, protesters turned Frankfurt into a battlefield for three days running.

Now, what does all this have to do with the Christian Democrats' convention in Hamburg?

Well, the troubles in Frankfurt, being symptomatic of a more general mood in West Germany, also point to the impotence and bewilderment of the politicians in dealing with it — a malady afflicting Social, Free and Christian Democrats alike.

But in Hamburg the Christian Democrats took an initial step, albeit hesitant, toward a cure. Instead of holding a routine tribal meeting of the party faithful with the usual kind of political fertility rite, they invited 500 young people as guests, yielding the convention floor to them and their views on subjects ranging from ecology to NATO, from education to the economy.

This "experimental dialogue with youth" may not have been quite as "historic" as the party leader, Helmut Kohl, subsequently ballyhooed — and one could hear the conventional delegates sigh with relief when they were able to return to politics as usual — but it was certainly unique.

That it was the conservative Christian Democratic Party that took the unprecedented step has its reasons. One is that, as the opposition party, it can afford to take more political risks. Another is that it traditionally has been regarded as the party least popular among West Germany's youth.

But the challenge to which the Christian Democrats finally tried to rise last week is one that all the parties have been ignoring. In the process they have been driving the disenfranchised young — and the no-longer-so-young — to a new force on the political spectrum, the environment-oriented Greens and the Alternative List movement, which play a key role not merely in the peace movement but in all matters of social protest currently unsettling West Germany.

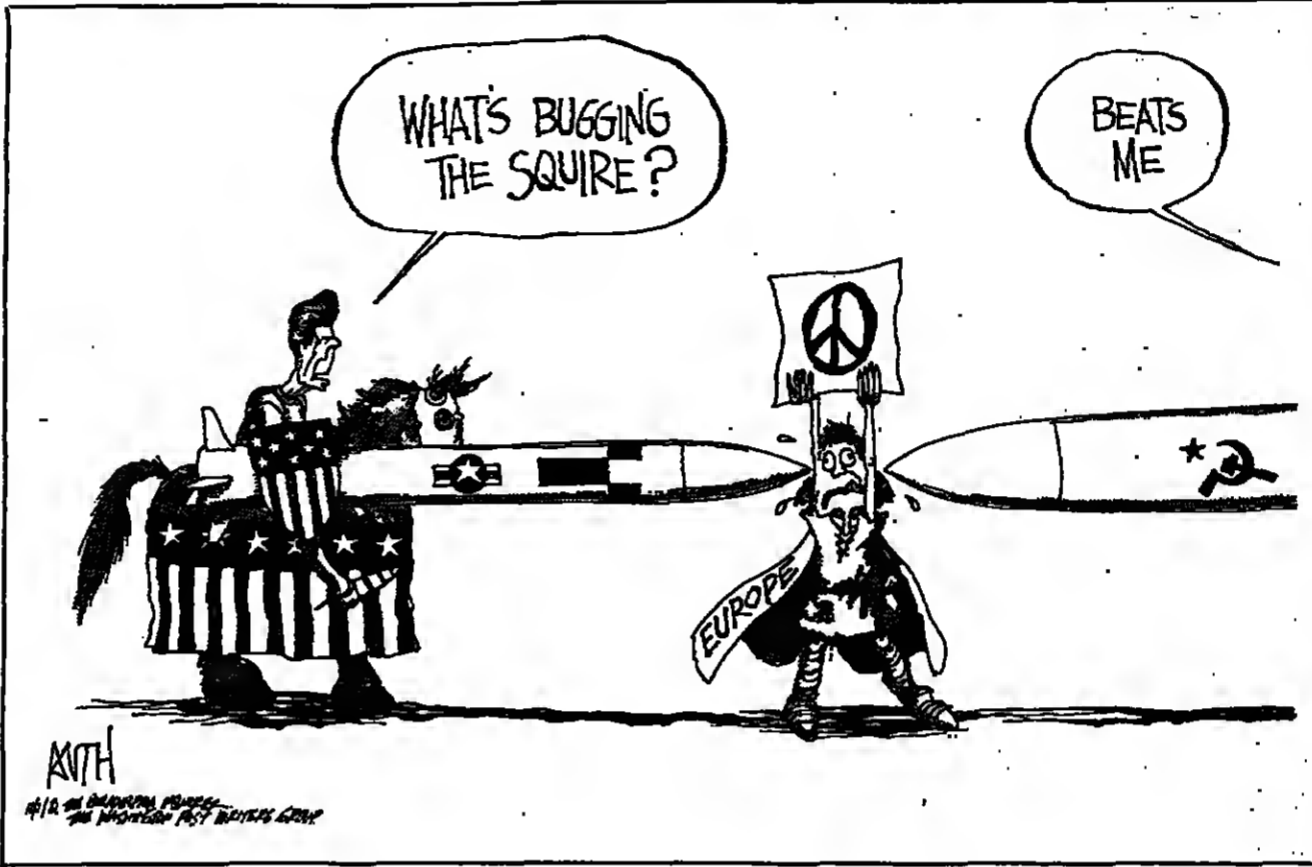
The Greens already hold the balance of power in West Berlin, where they outpolled the Free Democrats last May, and they may win more than 5 percent of the vote, thus tipping the parliamentary scales, in the Hesse and Hamburg state elections next year.

Potential Strength

Whether they can do so well nationwide in 1984 is a different question. But what the Christian Democrats did last week was to express recognition of the immense potential in the votes of the disillusioned, which could well be the key to who next rules West Germany.

Somewhat belatedly, the Hesse state government did the same. Over the weekend, Interior Minister Eckehard Griess offered the runway protesters a moratorium on further tree-cutting — until the courts decide whether a referendum on the matter is constitutional.

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Will Reagan Lead a Retreat From the Open-Skies Policy?

By Alfred E. Kahn

WASHINGTON — Through-out its history the Republican Party has been possessed, either simultaneously or alternately, by at least two souls — those of an authentic 18th-century liberal and of a 19th- and 20th-century protectionist. While the rhetoric of the Reagan administration is the rhetoric of the free-market Jekyll, all too many of its actions in recent months have been the actions of the protectionist Hyde. Witness, for example, the policies or policy declarations with respect to imports of Japanese cars, the multinational fiber agreement, price supports for sugar, peanuts and tobacco, and the re-regulation of trucking.

Now we may be witnessing another such retreat from principle: On Sept. 11, the Civil Aeronautics Board, according to a request of the president, postponed for four months its order withdrawing trust immunity from U.S. carriers for participating with foreign airlines in the collective setting of fares over the North Atlantic.

We cannot unilaterally transfer into the international arena our own domestic aviation policy of deregulation and open competition; international airlines markets are controlled in large part by bilateral agreements negotiated between governments, and all too many foreign governments insist on limiting entry, regulating capacity and fixing prices.

Trading Favors

The policy we adopted under President Carter was one of trading liberalizations for liberalizations — offering foreign carriers freer access to the American market in exchange for agreement by their governments to admit competing American airlines into their cities, to accept our increasingly liberal charter rules (no longer need all passengers on a charter flight have the same blood type), to eschew limits on the number of flights and to refrain from disallowing competitive fares.

Most governments, however, continue to permit or require their carriers to participate in International Air Transport Association (IATA) fare-setting conferences. IATA is essentially a cartel, consisting of most international airlines and providing a mechanism for them to meet and agree on fares and levels and conditions of service. The results are what one

would expect of any cartel — higher prices and reduced service levels (including the \$3 charge for headsets that the flight attendants attribute emphatically to "international regulations").

Aside from attempting to negotiate terms of the liberal bilateral agreements, the most pro-competitive policy we could adopt would be to prevent U.S. carriers from participating in any IATA fare-setting conferences, simply by repealing the antitrust exemption they now enjoy. The Civil Aeronautics Board moved in that direction last May so far as the North Atlantic routes were concerned; this is the action that has now been postponed until next January.

If, as the matter now stands, the board's order does indeed go into effect in January, this note of alarm may prove to have been premature. Still, it is worth sounding, for two reasons. First, there are some officials in the Reagan administration who agree with the complaints of the major international carriers that our liberal policies have gone too far, that we gave away the store at their expense. (To be fair, there are other officials who do not agree at all.)

Second, this postponement comes at a terribly unfortunate time. Officials of the European Economic Community are drafting regulations to bring aviation into closer compliance with the pro-competitive articles of the Treaty of Rome. For us to be giving the impression that we are ready to pull back from our previous free-trading policies plays into the hands of the opponents of these new EEC initiatives.

It seems to me essential, therefore, to confront the complaints of our incumbent carriers, and the accompanying demand that we go back to the days of governmentally negotiated and sanctioned cartelization.

The opponents of increased competition on international routes claim U.S. carriers have suffered a serious erosion in market shares as bilateral agreements have been liberalized. That is true. However, the decline during this recent period has been no more rapid than in the years immediately preceding. Our losses in market share have been more than accounted for by declines in the

share of traffic originating in the United States. Foreign travelers tend to choose foreign carriers, just as U.S. travelers tend to choose U.S. carriers. Moreover, and most striking, our carriers have consistently done better under the more liberal bilateral than under restrictive ones.

The opponents contend, second, that the competition to which our liberal policy subjects them is unfair because foreign governments subsidize their airlines and discriminate against ours. But our international carriers have had some very profitable years, even in the presence of these handicaps; since the reduced profits of the last year

or two can clearly be attributed to other unfavorable circumstances, there seems to be no reason to use the subsidies as a justification for abandoning our pro-competitive policies.

Opponents point, finally, to the poor profitability of U.S. carriers on international routes in 1980 and 1981. In fact, their results have differed dramatically; the differences seem to reflect very closely the respective qualities of their managements. Moreover, the industry — whether competitive, monopolistic or regulated — was bound to suffer disappointing results when faced with dramatically elevated fuel costs, high interest

rates and recession. Except for Pan Am in 1981, the industry suffered heavier losses in real dollars back in 1974-75, when free entry and price competition were still dirty words.

Our domestic experience in the past several years has amply demonstrated that competition in the airline industry functions well even under adverse conditions and confers immense benefits on the traveling and shipping public.

The writer, a professor of economics at Cornell University in Ithaca, N.Y., was formerly chairman of the Civil Aeronautics Board and an economic adviser to President Carter. He wrote this article for The Washington Post.

Taking Human Rights Seriously

By William Safire

WASHINGTON — The Reagan administration intends to take the human rights issue seriously.

When the nomination of Ernest Lefever to the human rights post in the State Department was withdrawn (many believed his concern was limited to violations by Communist nations), the Reagan men took their time before settling on a new name up to Congress. Leo Cherne, Leonard Garment and the columnist Michael Novak were approached; each declined, but recommended "somebody like Elliott Abrams."

Abrams, 33, is assistant secretary of state for United Nations matters. His neo-conservative credentials include being the stepson-in-law of Commentary magazine's editor, Norman Podhoretz, and a former aide to Sen. Daniel P. Moynihan. Abrams' nomination last week to the sensitive human rights post signals Reagan's desire to live up to his 1976 campaign commitments.

Underlining the significance of the nomination is the policy expressed in an "eyes-only" memorandum, dated Oct. 27, to Secretary Alexander Haig from Deputy Secretary William Clark and Undersecretary for Management Richard Kennedy recommending the Abrams appointment.

'Fundamental Distinction'

"Human rights is at the core of our foreign policy," states the Clark-Kennedy memo. "We will never maintain wide public support for our foreign policy unless we can relate it to American ideals and to the defense of freedom."

"The fundamental distinction" between America and the Soviet bloc is a sharp difference in attitudes toward freedom, says the memo: "Our ability to resist the Soviets around the world depends in part on our ability to draw this distinction and to persuade others of it." The writers recognize that one cause of the wave of neutralism abroad is the notion of relativism: "Why arm, and why fight, if the two superpowers are morally equal? Our human rights policy must be at the center of our response."

Fine words, but to achieve credibility Washington will have to knock its friends occasionally. Here is how the new policy handles that: "If a nation, friendly or not, abridges freedom, we should acknowledge it, stating that we regret and oppose it. However... human rights [are] not advanced by re-

placing a bad regime with a worse one, or a corrupt dictator with a zealous Communist Poliburo."

That is a necessary straddle, but activists will hail this passage: "A human rights policy means trouble, for it means hard choices which may adversely affect certain bilateral relations. At the very least, we will have to speak honestly about our friends' human rights violations and justify any decision wherein other considerations (economic, military, etc.) are determinative. There is no escaping this without destroying the credibility of our policy, for otherwise we would be simply coddling friends and criticizing foes."

Internal Concession

In dealing with the Russians, Abrams appears to have extracted an internal concession to ensure that his will not be a cosmetic role: "This administration might possibly seek the repeal of the Jackson-Vatik Amendment," which links trade concessions to Communist nations to their willingness to allow dissidents to emigrate. "Abrams has made clear," reads the memo, "that he could only support such an effort in the context of the sort of agreement reached between Jackson and Kissinger in 1975. To reach beyond such an agreement would, in his view, make a mockery of our human rights policy."

The memo contains a wistful paragraph suggesting that "we should move away from 'human rights' as a term, and begin to speak of 'individual rights,' 'political rights' and 'civil liberties.'" Presumably, this is because "human" rights have been mistaken by some to mean an entitlement not to starve. Still, the name-changing notion is wrongheaded: "human" rights are rooted in Locke's "natural rights," put in French phrase as the "rights of man" and changed by Eleanor Roosevelt at the United Nations to "human rights" to include women.

In the Reagan espousal of that policy, the good guys have won. Hats off to the beleaguered secretary of state; let us hope he does not find the public pursuit of his interoffice mail too great an annoyance. We should be prepared to wade through reams of specific eyes-only or teeth-only memos to find one line like "A human rights policy means trouble." Unless it means trouble, a human rights policy means nothing.

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Nov. 10: From Our Pages of 75 and 50 Years Ago

1906: Fifth Avenue Facelift

NEW YORK — Backed by the decision of the Supreme Court, the Corporation Counsel, Mr. Ellison, is notifying property owners in Fifth Avenue to remove all structures encroaching on the avenue. Among the structures known to be affected are Martin's restaurant, which maintains an outdoor cafe, the Waldorf-Astoria Hotel, the Aeolian Hall, the Engineers' Club, Messrs. Altman and Co.'s new building, Sherry's and many brownstone, high-stoop houses. To slice the stoops, remove porches and draw back pillars and columns will cost thousands of dollars, but against this is weighed the necessity of widening the thoroughfare to accommodate the steadily increasing traffic.

1931: A Japanese Retreat

TOKYO — General Ma Chang-shan, Chinese governor of the Heilung-Kiang province, formally declared war on Japan today, launching an offensive that has forced the Japanese to retreat. He recaptured the bridgehead on the Nonni River that an outnumbered Japanese army had held for three days of fighting. Martial law has been declared at Peking and at Tientsin, the capital's seaport. The Manchurian warlord's action is said in official circles here to have followed immediately on instructions from Chang Kai-shek, president of China, and generalissimo of the Nationalist armies. The Nanking government has reportedly encouraged its Manchurian adherents to fight the Japanese "to the last man."

Letters

Creation and Science

I am a systems analyst designing and writing software for scientific applications. I also believe in creation, and would like to ask Flora Lewis (HT, Oct. 20) why such a belief is unscientific or associated with a desire to stop learning. The creation theory, like the theory of evolution, explains the origins of the universe and of life. It is not a simplistic escape from difficult scientific questions, but a comprehensive explanation of the observable data.

The consistency of creation with the fossil record, geology, and other earth science data has been documented and demonstrated many times.

To suggest that creationism is anti-science is wrong. It is saying, "You are not a scientist because

you do not agree with me." Since when has this been acceptable? WAYNE NIBLACK, Paris.

Assessing Sadat

I was surprised to read Henry F. Jackson's "poison-pen article" on "Sadat and Egypt" (HT, Oct. 15). How does Prof. Jackson know that only "the army and the upper middle class" underpinned Sadat's authority? What I was impressed with on my trips to Egypt was that under Sadat's regime most villages got water supplies and electricity. The peasants of Egypt were said to be happy with peace and Sadat, and, in fact, only in cities were there signs of extremist activities.

JOHN BELMONT, London.

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Let Severely Deformed Babies Die, Poll of British Pediatricians Says

The Associated Press
LONDON — Seventy percent of British pediatricians who answered a television questionnaire believe severely handicapped babies rejected by parents should be allowed to die, according to a television documentary being screened Monday by the British Broadcasting Corp.

Two public opinion polls, one before the recent trial of a pediatrician, Dr. Leonard Arthur, 55, who allowed a 3-day-old Down's Syndrome (mongolism) baby to die, and one during the trial, showed an increase in the number of people who also believe such babies should be allowed to die by withholding medical treatment. Dr. Arthur was acquitted last week of attempted murder.

A Market Opinion and Research Institute poll during the 18-day trial last month and published in the Sunday Telegraph showed 59 percent of those questioned thought handicapped babies rejected by parents should be allowed to die.

A MORI poll for the BBC's "Panorama" program before the trial showed 46 percent of those questioned thought everything should be done to save a child's life, no matter how severe its handicaps.

In answer to another question which included no reference to the parents' view, 60 percent of those questioned in the second MORI poll said the decision to let a baby live or die should depend on the severity of its handicap.

The BBC's Panorama program sent a questionnaire to Britain's 1,500 pediatricians. Of the 280 doctors who answered, 70 percent said they thought a spina bifida (spinal column defect) baby rejected by its parents was better off dead, the program, previewed for the press, reported.

Fifty-seven percent of the doctors said they would not recommend life-saving surgery for a Down's Syndrome baby rejected by its parents.

White House Backs Strong Rights Stand

New York Times Service
WASHINGTON — An administration official has said that President Reagan has approved a State Department memorandum outlining a strong human rights policy in foreign affairs.

James T. Baker, the White House chief of staff, said Sunday that the memorandum, which calls for an evenhanded approach allowing criticism of friendly as well as adversary nations, did not constitute "any significant change in policy."

Mr. Baker said on a television news program that the administration had not reversed its policy of using what it described as "quiet diplomacy" instead of public rhetoric in attempting to influence nations where human rights were seen to be violated.

"The president's position is: We will speak out where it is necessary in order to emphasize his concern and commitment to human rights," Mr. Baker said, "and where that's not necessary, he will deal with it through the quiet diplomacy approach he spoke of during the campaign and when he first came into office."

Lovers in Park Are Arrested in Malaysian Raid

The Associated Press
KUALA LUMPUR — Fourteen couples were arrested for committing *khawwat*, or close proximity, at a city park and will be charged in religious courts. Moslem religious affairs officials said Monday.

They added that the 28 lovers, who have been released on 100 ringgits (\$44.03) bail pending appearance in Moslem court, were caught by religious officials who raided the park between late Saturday night and early Sunday morning.

Malaysia is a Moslem country and under Moslem laws here unmarried couples cannot commit *khawwat*.

Khawwat includes unmarried couples holding hands, kissing and having sexual relations. Normally those found guilty are fined and released.

Court Allows Sealed Ballots to Be Counted in New Jersey

United Press International
TRENTON, N.J. — The New Jersey Supreme Court ruled Monday to allow the counting of emergency ballots in Essex County in determining the outcome of New Jersey's gubernatorial election last Tuesday.

The court voted, 6-0, to uphold a lower court decision to count the ballots, which were sealed after voting machines in the county broke down. One justice did not vote.

heavily Democratic city of Newark. The News Election Service said that as many as 300 ballots could be involved.

Regardless of the outcome, the New Jersey secretary of state, Donald Lan, predicted that the closeness of the contest would lead to a recount. New Jersey has never conducted a statewide recount, which must be made before Saturday.

day and filed with Superior Court judges in disputed counties.

In Washington, meanwhile, the Democratic National Committee was considering whether to ask for a Justice Department investigation into Republican patrols at state polls on Election Day.

he was not concerned by the threat of the investigation because the task force had done nothing wrong. The Republicans claim the patrol was intended to ensure an honest election.

Rev. S. Howard Woodson Jr., pastor of the Shiloh Baptist Church in Trenton, Montauk, was scheduled to open a Trenton headquarters for a drive called "Rights to Vote 1981," which was seeking affidavits from anyone believing he was intimidated by the Republican effort.

Kraigher visits Romania

The Associated Press
Bucharest — Yugoslav President Sercel Kraigher arrived in Bucharest Monday for an "official and friendly" visit at the invitation of Romanian President and Communist Party chief Nicolae Ceausescu. Romania's news media did not disclose details of the visit, but regular meetings between leaders of the neighboring countries are customary.

On Saturday the Democratic committee asked Prof. Drew Days of Yale Law School to determine if there were grounds for a U.S. investigation. Mr. Days, who served as assistant attorney general for civil rights under President Jimmy Carter, said he expected to have an answer within a few days.

A spokesman for Mr. Kean said

Philippine Flood Toll Is 14

United Press International
MANILA — Rescuers retrieved the bodies of a family of four buried in a landslide, bringing to 14 the number of flood-related deaths in Lucena, 60 miles (98 kilometers) southeast of Manila, reports said Monday.

Former CIA Agent Describes Favors to American Officials

By Jeff Gerth
New York Times Service
WASHINGTON — Frank E. Terpil, a fugitive former agent for the CIA, has described favors and payoffs involving a State Department employee and certain military and intelligence officials in a television interview.

Mr. Terpil said he and Edwin P. Wilson, another former CIA agent wanted on charges of illegally shipping explosives and training terrorists for Libya, "took care of" U.S. military officers in Iran in the days of the shah in return for valuable inside information on Iranian defense procurement practices.

In an interview last week in Beirut, which was shown Sunday on the CBS program "60 Minutes," Mr. Terpil also said he was aware of active-duty CIA officials who privately sell inside classified information to foreign countries via commercial companies.

He provided no details or evidence to substantiate his charges, which, if true, would involve violations of U.S. statutes.

Mr. Terpil, who fled the United States last year, also acknowledged he could provide "favors" for high officials of the U.S. passport office. The CBS report noted that U.S. authorities are investigating a State Department official to whom Mr. Terpil loaned about \$40,000, and U.S. law enforcement authorities have confirmed the existence of the investigation.

It has previously been reported

Mrs. Whitmire Runoff Favorite in Houston Race

New York Times Service
HOUSTON — City Controller Kathryn J. Whitmire is the favorite to win a runoff election on Nov. 17 against Jack Heard, the Harris County sheriff, and become mayor. Mrs. Whitmire, 35, led a field of 15 candidates with 36 percent of the vote and Sheriff Heard, 63, was second with 24.5 percent in the Nov. 3 election, which saw Mayor Jim McConn go down to defeat as a distant third.

Blacks are considered the key to the runoff. On Nov. 3, Mrs. Whitmire received 20.8 percent of the vote among low-income blacks, compared to 3.3 percent won by Sheriff Heard, a conservative.

The campaign was essentially fought over who could best maintain adequate public services as the city grows explosively. Mrs. Whitmire, a certified public accountant who ran an accounting firm with her husband before his death, stressed her management skills both in private business and as controller.

2 in Red Brigades Cite Palestinians

The Associated Press
CAGLIARI, Sardinia — Two members of the Red Brigades who have turned state's evidence in a trial of two other members of the urban guerrilla group have said they received a shipment of sub-machine guns and hand grenades from Palestinian guerrillas in Italy, according to court records.

Carlo Bozzo and Gianluigi Cristiani said they met with several dissident members of the Palestine Liberation Organization in Mestre, near Venice. Mr. Bozzo and Mr.

Pogrom Recalled As W. Germans Warn of Nazism

The Associated Press
BONN — Public figures warned of a resurgence of Nazism as West Germans on Monday marked the 43rd anniversary of "Crystal Night," the violent outbreak of Nazi persecution of Jews.

Memorial services were held at the Dachau and Flossenbürg concentration camp sites.

Wolfgang Mischnick, parliamentary floor leader of the Free Democratic Party, said public opinion on extremist rightists has changed since early last year, when "four of five West Germans were convinced that neo-Nazis are relatively harmless crazies." Now, Mr. Mischnick said, 56 percent of West Germans believe "right-wing extremist groups represent a danger for our democracy."

Heinz Galinski, chairman of the Berlin Jewish Community, called on the European Parliament to take "effective measures" against the increase of neo-Nazi terror attacks and other activities in Europe.

THE FRENCH ART OF FINE LIVING HAS COME TO BOSTON!

Now, with the opening of the Meridien Hotel the French "art de vivre" can be found right in the heart of Boston. And now, all you need to know is one address to discover what "savoir-vivre" is all about: Hotel Meridien, Boston, Massachusetts.

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Historian Will Durant, 96, Dies Two Weeks After Wife

By Richard West
Los Angeles Times Service
LOS ANGELES — Will Durant, 96, the Pulitzer Prize historian, died Saturday at Cedars-Sinai Medical Center, two days after his birthday.

home in Hollywood Hills after a long illness.
Mr. Durant was best known for **OBITUARIES**
the 11-volume "Story of Civilization," written partly with his wife. The 10th book of that series, "Rousseau and Revolution," won the Pulitzer Prize for literature in 1968.

Some critics said the Durants were popularizers of history, not serious scholars, but others said they had the remarkable gift of making past ages accessible to contemporary readers.

Paradoxical Views
The views of Mr. Durant, a former Catholic seminarian, were often paradoxical. Mr. Durant said he lost his Catholic faith when a young man after reading Darwin's "Origin of Species" and "The Descent of Man" and Marx's "Das Kapital" and "Communist Manifesto" before taking his bachelor of arts degree at St. Peter's College in Jersey City, N.J., in 1907.

He said later that "Origin of Species" turned me inside out by showing man as a trussed ape cursed with loquacity" and that the "Communist Manifesto" set me on fire with socialist ardor.

Mr. Durant said he always realized, though, that Christ was the greatest figure in history and that mankind's search for God was primarily responsible for the march of civilization.

"Communism — complete equality — is a Utopian dream that never will come true," Mr. Durant said when he was a lecturer in philosophy at the University of California, Los Angeles in 1935. "The will to power, greed, ambition, and the love of family are human traits that cannot be divorced from the human mind. Nature is not a Communist."

In 1957, Mr. Durant predicted the return of religion to Russia by the end of this century. It will come about through disillusionment in the present system, he said. Mr. Durant once attributed the upsurge of crime in America in the last 20 years or so to a decline in morals brought about by people turning away from religion.

Taught at Ferrer School
Mr. Durant was born in North Adams, Mass., in 1885 to parents of French-Canadian Catholic stock. After graduating from St. Peter's, he taught Latin, French, English and geometry at another Catholic institution, Seton Hall College, South Orange, N.J., then entered the seminary at Seton Hall to study for the priesthood. He left the seminary in 1911 to become a teacher at the Ferrer

Modern School, an experimental libertarian institution in New York City, where he met his future wife and collaborator, 13-year-old Ida Kaufman, one of his pupils whom he took to calling Ariel, after the spirit from Shakespeare's "The Tempest," because she was "as strong and brave as a boy, and as swift and mischievous as an elf."

"From the first moment there was something in Ariel that captured my eyes and possessed my memory," Mr. Durant recalled later. "I was attracted by her high spirits. She laughed and sang with the innocence of a girl who had never known love."

Two years later the scholarly Durant and the teenage Jewish girl from Russia were married at New York City Hall.

To support his young wife, Mr. Durant served as director of the Labor Temple School in New York City and, in 1917, as an instructor in philosophy at Columbia University. He also took his doctorate in philosophy at Columbia in 1917.

They had one great ambition in those years: to have enough money to devote their lives to historical scholarship. They realized this wish in 1926, when Mr. Durant published his "The Story of Philosophy," which became a best seller.

Wife's Research
The Durants collaborated on eight books, including the last five volumes of "The Story of Civilization." Mr. Durant wrote 17 more books on his own, but his wife did a lot of the research.

The moved to Los Angeles in 1943. In a Spanish colonial-type house in the Hollywood Hills they completed volume 3 through 11 of "The Story of Civilization," series along with "A Dual Biography," "The Lessons of History" and "Interpretations of Life."

In "The Lessons of History,"

Mr. Durant emphasized that historiography can never be a science. When he addressed the Authors Club in Hollywood in May of last year, he asked: "Has it ever occurred to you that death is a blessing? Death makes life possible. If we all lived and lived, we'd be choking each other for a breath of air. Somebody has got to get out of the way to make place for a new vitality."

Maj. Gen. Avraham Orly
TEL AVIV (AP) — Maj. Gen. Avraham Orly, 51, the former administrative coordinator in Israeli-occupied territories and one of the first paratroopers in the Israeli Army, died Sunday.

Robert G. Chollar
DAYTON, Ohio (UPI) — Robert G. Chollar, 67, chairman of the Charles F. Kettering Foundation, died Saturday of cancer.



Will Durant
... in a 1975 photograph

Tanzania's Salim Tries Hard to Defeat U.S. Opposition on UN Job

By Bernard D. Nossiter
New York Times Service

UNITED NATIONS, N.Y. — The United States has told him no eight times, but Salim A. Salim of Tanzania still hopes to persuade Washington that he is neither too radical nor too much the African nationalist to lead the United Nations.

"Salim, the representative of Tanzania, of Africa, is not Salim the secretary-general," he said. "As secretary-general, he must always represent a consensus, must build a consensus. He must win the confidence of conflicting parties."

Mr. Salim, his nation's foreign minister at the age of 39, is a husky man who jogs in the heat of Dar es Salaam, the Tanzanian capital, in a losing battle to hold down his weight. He speaks in earnest tones, insisting that the test for secretary-general should be "a person's integrity and sense of fair play," not the public, political views he has voiced in the past.

8 Ballots
The Security Council has gone through eight ballots to choose a secretary-general. On three, Mr. Salim collected at least the minimum nine votes, but the U.S. vetoed him; Washington has also vetoed against him on the other five. He is still in the race, however, because China, on all eight rounds, has just as firmly vetoed the incumbent, Kurt Waldheim.

The United States declines to explain its position. But informally, U.S. diplomats have indicated that the Reagan administration does not trust Mr. Salim. They doubt that he would act impartially on issues involving South Africa or Israel, they fear he is too independent and they regard him as a Third World radical in contrast to the conservative and Western Mr. Waldheim of Austria.

"There would be no reason for South Africa to doubt my integrity," Mr. Salim said, but he can't be impartial on apartheid. Who can be?

Spanish Prisoners End Hunger Strike Protest
MADRID — All but about a dozen of the 2,000 prisoners in Barcelona's Modelo prison have ended a weeklong hunger strike that was called in protest against what they said was the government's failure to fulfill promises of prison reform, a prison official said.

The inmates did not explain why they ended their action Sunday. A hunger strike in September by more than a third of Spain's prison population was ended on an understanding that the government was acting with urgency on their demands, Justice Ministry officials said at the time.

However, he said: "If I was secretary-general, I would not make myself the foe of any member state. I am the secretary-general of all 156 states. That is borne out by my record."

The question is particularly acute since South Africa resists a plan to grant independence to South-West Africa, or Namibia, asserting that elections there would be supervised by a "biased" United Nations that would provide peacekeepers in a demilitarized zone.

In his speeches at the United Nations, Mr. Salim has frequently spoken of his "brothers" in the "gallant" band of guerrilla fighters resisting South African rule in Namibia. But his remarks have been more restrained than those of officials of other African states. He has, on occasion, even referred to the Pretoria government without employing the automatic epithet "racist regime."

He recalled that as president of the Security Council in 1976, he met with K. F. Otha, South Africa's representative, both the foreign minister. Despite the absence of Tanzanian relations with South Africa, Mr. Salim said, he was a UN officer and ignored his government's position.

Tanzania, like other African nations, broke relations with Israel after the 1967 Middle East war, and Mr. Salim has delivered dozens of addresses deploring Israeli actions and upholding Palestinian rights. However, his speeches do not exist as well as the right of Palestinian Arabs to a state of their own.

Mr. Salim was ambassador to Egypt at the age of 22. Ten years later he earned a master's degree from Columbia University while leading Tanzania's delegation.

Israel Poll Finds 44% Back Pullout

TEL AVIV — Israelis are almost equally divided as to whether the final withdrawal of their troops from the Sinai should be delayed because of the assassination of Sadat, according to an opinion poll published Monday.

The poll, carried out by the Public Opinion Research Institute for the independent newspaper Ha'aretz, showed that 43.3 percent favored a delay in the withdrawal while 44.2 percent wanted it completed by the end of next April, as provided for in the Camp David peace agreements with Egypt.

The poll, conducted late last month, also said that 52 percent believed President Hosni Mubarak of Egypt would continue the Camp David peace process with Israel, while 21 percent thought he would not.

Donor Nations Reluctant to Finance FAO, Question Its Approach to World Hunger

By Ann Crittenden
New York Times Service

ROME — The Food and Agriculture Organization, the oldest and largest of the four world hunger relief agencies based here, is facing the most serious challenge to its activities since its founding in 1945.

The major industrialized countries, which contribute more than 70 percent of the agency's budget, are becoming increasingly skeptical about its approach to the problem of world hunger. And the

United States, in particular, is more reluctant to finance FAO activities. The agency has several major functions: providing information on all aspects of the global food system, dispensing food relief and providing technical assistance in agriculture to developing nations. But disillusionment with the FAO has meant that some of its functions have begun to be taken over by other international food organizations.

Deteriorated Relations
"Relations between the Western donor countries and the FAO have deteriorated to such a point that the United Nations system's capacity to deal with food issues is threatened," said Richard Gardner, the ambassador to Italy under the Carter administration.

One major criticism is that the FAO has accepted some of the confrontational rhetoric of the Third World and allowed relations not just with donors but with other international food agencies to deteriorate.

The Western nations also challenge the organization's emphasis on providing an expensive "safety net" of food aid and food stockpiles in poor nations. This may guarantee that people do not go hungry, critics say, but the very existence of such a guarantee also tends to perpetuate the inept agricultural policies that helped cause food shortages in the first place.

And World Bank economists say, the FAO's frequently pessimistic assessments of the world food situation can, by encouraging large purchases of grain by poor countries, have a destructive impact.

"They have a Malthusian, crisis mentality that is defeatist, and it can cost poor countries dearly," said Graham Donaldson, an Australian who handles the World Bank's cooperative programs with the FAO.

Errors of Commission
To all this, people in the food organization reply that there is, after all, no perfect way to get food to the hungry — that the FAO's errors, if indeed they are errors, are at least errors of commission, not omission.

The agency's director general, Edouard Saouma, said: "Those who criticize us should remember that the FAO provides only 1 million tons of food aid a year, compared with 8 million tons provided bilaterally. And if that aid declines, it will not be replaced by other aid resources."

World Bank Economists
World Bank economists are also concerned about FAO plans to help developing countries build huge food stockpiles, which would add up to 18 percent of annual world food consumption.

"They want to build buffer stocks so large that in some countries they would be bigger than the total amount of grain traded," said Mr. Donaldson. "That means that the stuff will have to be purchased and imported, and then, because stores spoil and have to be replenished every year, the grain will have to be resold on the world markets. The major beneficiaries of these schemes will probably be Russian pigs."

Instead of these vast, expensive "food security" programs, the donor countries would like to see assistance linked to changes in national agricultural policies to encourage greater food production.

"Last year, the director general told the United Nations that, during the 1970s, 61 countries declined in their per capita food production and 15 produced less food in absolute terms," said a diplomat in Rome.

"Instead of suggesting more resources for the FAO, this says to us that we're doing something wrong," the diplomat added. "We've been too gun-shy of tying our aid to policy changes, like higher prices for farmers."

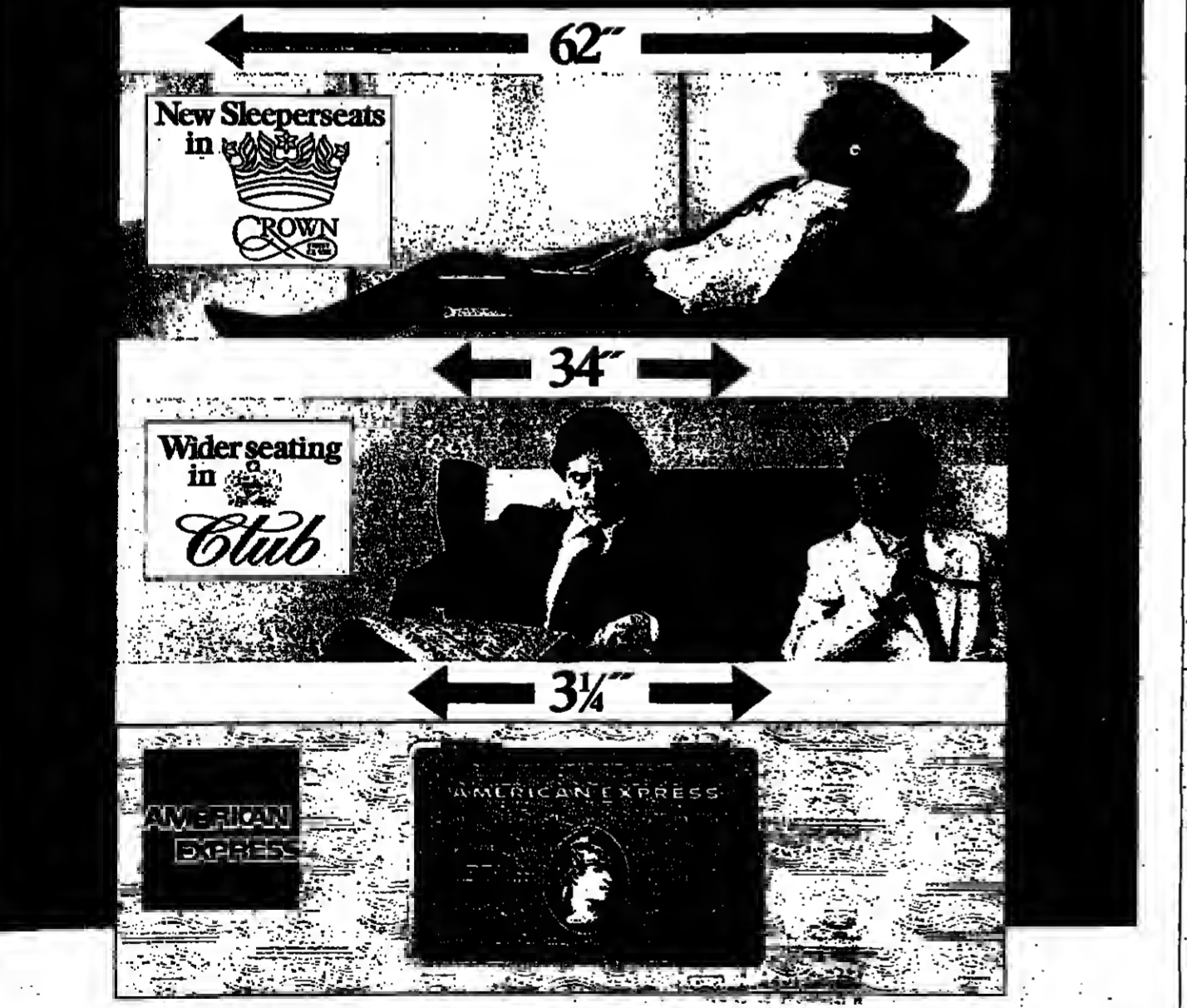
First Farm Deficit
ROME (AP) — Mr. Saouma on Monday condemned spending on arms instead of food, and warned that Third World nations this year are facing their first trade deficit in farm products.

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سورة الاحقاف

Taxes and Art in France

By Soren Melikian
International Herald Tribune

PARIS — The French government has finally gone back on its initial intention to treat artistic possessions as just another part of its citizens' private fortune. Works of art will therefore not be subjected to the wealth tax voted by the French National Assembly.

But the wealth tax has not been suppressed altogether. It has been amended but effectively reintroduced through an amendment initiated by Michel Debret, a member of the opposition, whereby any work of art sold abroad after obtaining the official export license requested for any such sale, shall be subject to the wealth tax.

To appreciate the impact of this provision, it must be realized that the value of art in the French market bears no relationship to its international value. The Picasso self-portrait of 1901 owned by a French businesswoman that was sold in New York for \$5.83 million after having been given a pre-sale estimate of "\$2 million plus" by Sotheby's experts would have been given a maximum \$400,000-\$500,000 value on the French market — there just aren't buyers in France prepared to pay more.

Overall, the government's 11th-hour reconsi-

deration of its original plan was requested by President Francois Mitterrand and the reason officially given was the president's concern that artistic creation should be encouraged and that buyers should not be deterred from acquiring contemporary art. The reasoning seems to be that fabulous masterpieces bought now for a few thousand francs might come to be worth millions, and, as such, be taxable in the foreseeable future.

Unstated but more plausible are other reasons. First and foremost was the belated realization that by being forced underground, the market would pose serious threats to the national heritage — *le patrimoine artistique* — with important works of art slipping quietly across the border.

A second, equally compelling, cause is the technical difficulty of assessing the commercial value of works of art. At any auction, prices actually fetched are frequently above or below pre-sale estimates by 50 percent or more. There just would not be enough experts in the country to cope with the thousands of litigations that would inevitably have arisen.

Yet another consideration seems to have been the unfairness of penalizing those who have inherited important works of art but have no cash. That is generally the case with deceased artists' widows and children, or scions of impoverished families.

The last consideration, ironically, is the only one that can be said to have been fully met by the government's turnabout. For contrary to what has been widely suggested, the French art market is not back to square one.

First there is the Debré amendment. To this must be added the fact that in recent months, French authorities have, by all accounts, developed a tendency to deny export licenses to even those works of art that are of no interest to French museums. All professionals complain about customs harassment unparalleled in the Western world. The curtain is being pulled down, rather than up, over the French market — in apparent disregard of EEC rules.

NEWS ANALYSIS

Thus, at the top end of the market, there remains a serious possibility that art will go underground. For different reasons, this may also happen at the lower end.

The idea that art might be subjected to taxation had never occurred to most Frenchmen and the latest turmoil has frightened them. Modest collectors have been more scared than wealthy buyers, because they spend much more than they can afford on art anyway and, above all, because many of them own a few splendid pieces that are now worth immensely more than what they paid for them 10 or 20 years ago. Small or not, many art buyers now make it clear that they intend to stay put in the future.

The less said, the better. Henceforth, art of whatever value will be shrouded in secrecy, with all the damaging consequences that this involves for museums — no loans, no donations, no more access to pieces of documentary consequence.

Hedge Against Inflation

Secrecy aside, the major consequence of the latest measures is likely to be a tremendous boost to very expensive art buys — virtually the only hedge against inflation left that is now immune from taxation. It is difficult to guess the extent to which this may set off the shutting down of French borders. It certainly will not be enough in the uppermost bracket, from the franc equivalent of \$500,000 upward — local buyers do not have that money available for art. Any French resident who has gone on record, either through art publications or previous loans to exhibitions, as owning a work worth anywhere from \$2 million to \$5 million can consider his assets to have been reduced overnight by as much as two-thirds, unless he knows for sure they would be allowed out of France — a remote contingency under present circumstances.

It is in the lower bracket, from about \$45,000 to \$450,000, and chiefly in the "easier" categories requiring no highly specialized connoisseurship, that the boost is likely to be most apparent — Impressionist and modern masters, 18th-century furniture of a very fine order not exceeding \$100,000 to \$200,000. Highly important graphics and drawings will go through the roof — they can be neatly slipped into attaché cases.

An intimation of the new trend was given on Oct. 21 at a Drouot sale conducted by the auctioneer Jean-Louis Fieard with the assistance of the expert Denise Rousseau, when a Toulouse-Lautrec lithograph was bought for a record-record 259,000 francs by a Frenchman outbidding a Japanese dealer.

Notable Assets

This, of course, may not last long. Very shortly, the problem for auctioneers will not be whom to sell to but where to get the goods from — owners will hang on to art possessions as nontaxable assets.

A downward trend might, on the contrary, affect highly specialized fields where people buy for pleasure, not for investment.

In short, the havoc caused by rash talk and ill-informed improvisation in this complex, highly sensitive field has not been undone, even if the worst has been spared. It would take a sophisticated set of measures to do the job. The French government, pressed by other urgent matters, is unlikely to give the problem another thought. Too bad for *le patrimoine* and the artistic life of France, where collectors play a vital, little-understood role.

The Transformation of Lisa Into Queen Noor

By Carla Hall
Washington Post Service

WASHINGTON — There is one more Lisa Halaby, says Queen Noor al-Hussein — light of Hussein and queen of all Jordan for the last 3½ years. "I'm not referred to now as I was several years ago," she says, "but I feel Noor. I'm sure that has a lot to do with the way His Majesty has made it my name in feeling. Before, he called me Lisa... In fact, Lisa is not another person, but I don't respond as naturally to it."

The transition was quick, but not necessarily easy, from Princeton-trained planner and designer to international celebrity in the Middle East. "All of a sudden, I was a wife, a queen, a mother," she says. "All of a sudden I was inspected and analyzed. I had tremendous responsibilities to the king."

Support and Peace

For him, she says, she must be a wellspring of support and peace. And of herself: "I think he cares very much about my happiness. He has encouraged me from the start. He has given me an open ticket to go out there. He says in retrospect that there was never any time he felt that he should pull me back. He let me on my own. At times I wished he had advised me or guided me."

She was 26 when she married King Hussein and converted to Islam. She graduated from Princeton in 1974, an architecture major, the daughter of Najeeb Halaby, former chief executive of Pan American World Airways. At the time she met Hussein, who had already had three wives, she was working for Royal Jordanian Airlines as director of facilities, planning and design. She and her father had dinner with the king in February, 1978. When he proposed three months later, he gave her a thick gold ring with rows of tiny diamonds.

As she sits in the Blair House reception room, on the last leg of a state visit to Washington, the ring



Queen Noor al-Hussein

glistens on her right hand. Her hands are clasped, her blond hair spills over her shoulders, her blue eyes are luminous. There is about her an air of sophistication and control, and she speaks easily but carefully in a clipped, deep-throated voice that has a hint of an Arabic accent.

Sister in Texas

She sees her parents infrequently. Her 26-year-old sister, Alexa, who lives in Dallas and "loves children," didn't see her youngest nephew, Hashim, until he was 4 months old. "We're separated by time and space," she says. "They're not close to an immediate awareness of what I do. They don't see it. It's impossible to describe."

She went back to Princeton last week to give a speech and talk to students. One asked what she does all day, provoking giggles. "This is a question that everyone wants to

watch a video," she says. "I'm sure when my entourage comes they would love to watch more American television." Sometimes friends will come over. Even when Hussein works until 11 p.m. or midnight, they watch a film before retiring. "We love films like 'Singing in the Rain,' and romantic comedies. There are some things that Walter Matthau has made that are very entertaining. It's lovely to watch something very funny at the end of a long hard day."

They live in Amman in a two-story house that Noor says is too small for their style and their children. They have a housekeeper and cook, and they sometimes entertain heads of state there. "We live very simply and informally."

For Men Only

Heads of state are received downstairs in the sitting rooms. When they bring their wives, Noor might have dinner with them. But when they come alone to talk with Hussein, she eats elsewhere. "No, that would be all men and it would be a working dinner," she says. "I'm not a politician or a policy maker, though I do work for certain policies in certain areas. As far as His Majesty discussing affairs of state with another head of state, it's not an appropriate forum for me to be part of at all... That would be the same in this country. No, it's not frustrating and it's not unusual... the job and the position I'm trying to develop is one that is complementary to His Majesty. It's not either a substitute or the No. 2 man or woman."

Still, several years ago, she "requested permission" to receive the president of Iraq. "Because he was coming to my house, I felt I should receive him in the house with His Majesty — just for that purpose and nothing more... That's something that had never been done before. I wasn't trying to set a new precedent or make a dramatic gesture. I just thought it would be nice on the human level if His Majesty thought it would be appropriate. And he did."

She denies any rumors of rifts in their marriage, particularly reports that Hussein and she had separate living quarters and that she was not allowed in his. "We laughed when we read it," she says with a low chuckle. "We don't have space in the house for there to be separate quarters. His Majesty chorled. He laughed uproariously. He said, 'Quarters? What quarters?'"

Help for Women

Noor paints an optimistic picture for women in a part of the world that has a reputation for subordinating women to men.

"His Majesty has high respect for women. He approved the appointment of a woman to the Cabinet. And he supports new laws and regulations making it easier for women to work in the country. He has a lot of respect for the capabilities of women... He wants women to take part in the development of the country as naturally and smoothly as possible."

A minute later, King Hussein opens the door and looks in on his wife. "How was your morning?" he asks her quietly. "See you upstairs?" He departs after giving Noor a kiss on each cheek. "We always connect during the day like that," she says. "In the last few days, it's been like ships passing in the night."

Sometimes Noor travels with Hussein, taking a secretary and a nanny and a nurse when the two young children are on the trip. Two Jordanian security men also accompany her. "Some Arab countries I would travel to, some not. Some Arab countries don't have a policy of receiving women — that is not their national custom. And that is why I might not attend a meeting with an Arab head of state — even a social function. It's their custom and we respect it."

She is asked whether that troubles her. "No, not at all," she says. "It's not worth it, really. It's not putting me down. It's not putting women down. It's their own national custom... and we don't interfere in their affairs or their social habits."

Bernstein Completes His 'Tristan'

By David Stevens
International Herald Tribune

MUNICH — A dress rehearsal under Leonard Bernstein is no dry run, but even the exuberant conductor must have been taken aback by the amount of last-minute excitement injected into the final run-through of the third act of Wagner's "Tristan und Isolde" here on Friday.

About 24 hours before the performance — a dress rehearsal in name, but before a paying public — it was learned that the Tristan Peter Hofmann, had laryngitis and was forbidden by doctors to sing if he expected to take part in the more important performances Sunday and tonight. In a regular opera house this would be crisis enough, but a few phone calls would probably turn up a replacement so the show could go on.

But this was the climax of a project of a lifetime. Bernstein, who has over conducted "Tristan" in its entirety, had arranged with the Bavarian Radio and the Philips recording firm to do the demanding work one act at a time, to be broadcast on television and radio as well as recorded. This meant swift rehearsal time and well-rested singers. But a different Tristan in Act 3 would send the recording project down the drain.

In the event, it was discovered that the tenor Herbert Steinbach, who had two lines to sing as Melot in Act 3, had sung Tristan in German opera houses, and after he had tracked down he rehearsed with Bernstein into the small hours of Friday morning. Steinbach went on Friday, with a score at hand, and while his was not a performance for the ages, he acquitted himself heroically and earned a couple of heroic Bernstein embraces at the end.

Hofmann's vocal cords got their needed rest, and the young tenor, who is singing his first Tristan, went on last night and is reported ready for tonight's broadcast performance.

If the Friday dress rehearsal is any indication, tonight's performance should be a thrilling conclusion to an ambitious project and

Philips should have a "Tristan" recording to stand up to any in the catalog. Bernstein's reading was spacious, in the grand manner of the great prewar Wagnerian conductors, and he built up the orchestral climaxes of Tristan's long mad scene with impressive care and characteristic fervor. Clearly his work with the Bavarian Radio Orchestra had borne rich fruit; the orchestra is one of Germany's very solid ensembles, but here they played in a truly excited manner.

The cast is as fine as could be assembled anywhere today: Hildegard Behrens as Isolde sang her final scene radiantly, her soprano cutting through the orchestra without stridency, Bernd Weikl was a warmly moving Kurvenal, Hans Sotin a King Mark of resonant nobility, and Yvonne Minton convincing and passionate in Brangäne's short appearance. The lesser roles were well taken, including the emergency appearance of Karl

Kreile, a chorus member, who filled in for Steinbach in Melot's few words.

Bernstein also called on several orchestra members to take solo bows, in particular from the brass and woodwind sections, and there was a large bouquet of flowers, well earned, for the flawless English horn soloist, Marie-Lise Schipbach.

The performance in the Herkulessaal of the Munich Residenz was semi-staged for television purposes, with stylized, quasi-medieval costumes for the singers, minimal movement, and a large painted backdrop representing a rugged seacoast, threatening gray skies and an expanse of water.

Tonight's performance is being carried direct by Bavarian television and radio, as well as by a half-dozen other West German television networks, and by the radio stations in Stuttgart and Bremen.

More London Pageantry

From Agency Dispatches

LONDON — After the royal wedding, British pageantry continues with the annual Lord Mayor's Procession through the City of London this Saturday.

The procession, which began in the 12th century as a formal celebration marking the inauguration of the new mayor, remains a tribute to both the City's leading citizens — the Lord Mayor's position is now largely a ceremonial one — and to its diverse commerce.

At 11 a.m. Saturday, an assembly of marching bagpipers, brightly dressed military bands and elaborate floats — this year's theme is "transport" — will leave London Wall, deep in the heart of the City, the financial district.

The parade will pause to collect the mayor at Mansion House, his official residence, then wind its way past St. Paul's Cathedral and along Fleet Street to the Royal Courts of Justice in the Strand, where the mayor will be formally approved by the judges of the Queen's Bench. After an hour's break, the procession returns to

Mansion House by way of the Embankment.

For those who want to make a full day of it, this year's festivities will revive the ancient tradition of an early-morning river procession. At 8:45 a.m. an entourage of boats will set off from the Chelsea docks to escort the new mayor to his home in the City.

The main parade, always a popular event, is best viewed from the least-crowded spot along Cheapside. Otherwise, arrive an hour or an hour and a half ahead of time at another point along the route. Bands will play throughout the day in Paternoster Square, behind St. Paul's, and the day's medieval celebration will conclude with fireworks at 5 p.m. at Blackfriars Bridge.

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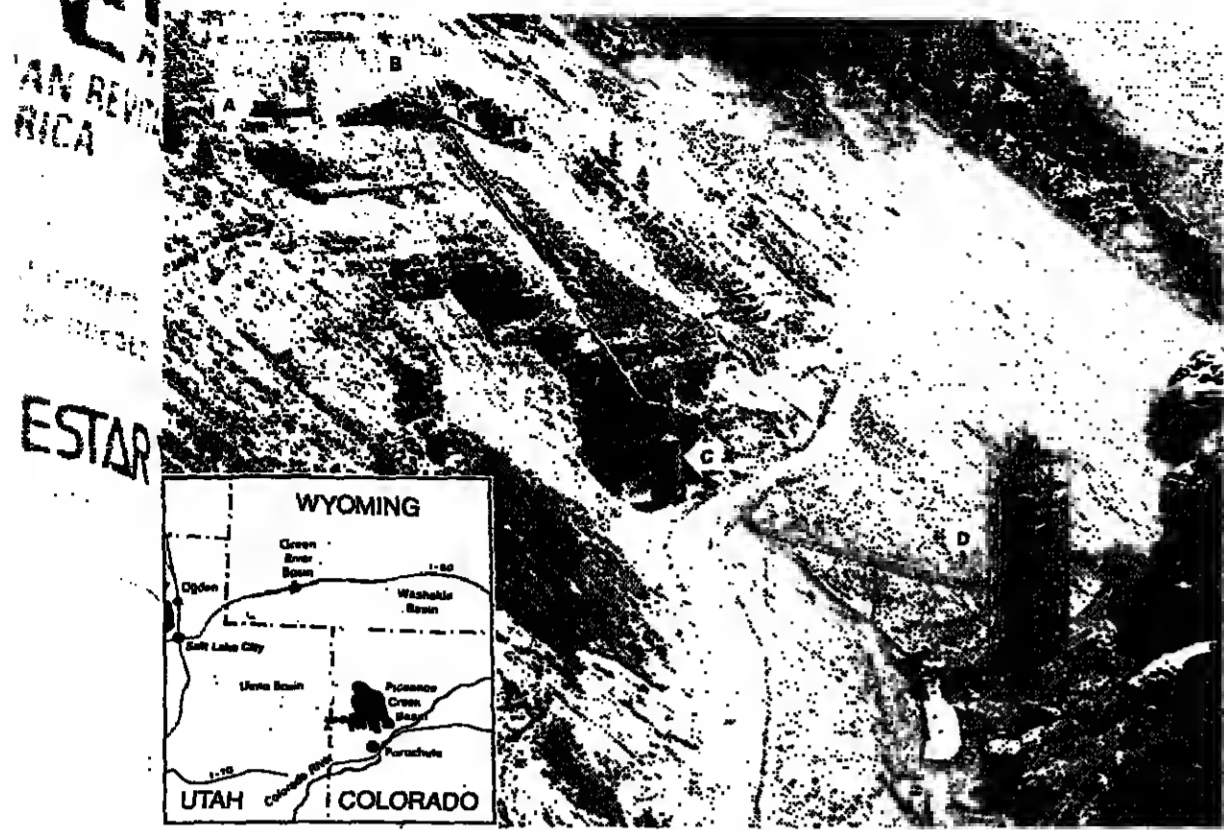
are just two examples of Rhône-Poulenc's research for an energy-conscious world.

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In the Colony pilot project near Parachute, Colo., oil shale is taken from mine mouth (A) to crusher (B), then sent to the storage area (C) before being heated in retort, or furnace, (D) to produce oil. The shale deposits extend through Colorado to Utah and Wyoming (map inset).

Oil Shale: A \$3.4-Billion Gamble

By Robert D. Hershey Jr.

PARACHUTE, Colo.—Six months ago this dusty, western Colorado town, 17 miles from the nearest motel room and an hour's drive from a hospital, had only 300 residents, most of whom maintained a wary cynicism about yet another series of reports of impending economic boom.

No longer. Parachute now has a population of 900, the first traffic light has been installed, the price of commercial property has tripled and on a nearby mesa the first house has just been completed in a new community that eventually will house 25,000 persons.

Behind it all is oil shale. In the mountains along Parachute Creek, Exxon and other companies have begun to pour billions of dollars into two huge projects to turn the immense reserves of oil shale into shale oil.

These are the pioneer plants in a new industry to unlock a 16,000-square-mile area extending into Utah and Wyoming that at last seems to be commercially exploitable after decades of planning and experimentation in which the cost of recovering the oil remained elusive above the amount for which it could be sold. Oil shale, many say, has come of age.

Robert B. Crookston, a Tosco official, walked around the pilot project from which more than 1.2 million tons of shale ore was taken in the late 1960s and early 1970s. "We believe that all the factors necessary for a successful commercial shale oil operation are presently in place," he said.

Tosco is the developer of the technology that will be used in the project and Exxon's 40-percent partner.

Doubters, however, remain. They note that shale (Continued on Page 11, Col. 1)

Regan Expects GNP to Drop This Quarter

WASHINGTON—U.S. Treasury Secretary Donald T. Regan said Monday that gross national product, after adjustment for inflation, is likely to fall at a 3- to 3.5-percent annual rate in the United States during the current quarter.

He told reporters that GNP would also decline slightly in the first quarter of next year, but that the economy should then bounce back as the president's tax cuts go into effect.

Lower interest rates, which "should be down quite a bit more" between now and January, will also encourage economic recovery, Mr. Regan said, though he would not predict how far rates would decline.

Murray Weidenbaum, chairman of the President's Council of Economic Advisers, said the economy will remain in recession for several months but rally strongly next spring, spurred by lower interest rates and stepped-up defense spending.

Baker Optimistic

And James A. Baker 3d, the White House chief of staff, said President Reagan's policies should bring about a healthy U.S. economy by the middle of next year. "Admittedly we see a recession today," Mr. Baker said, "but the foundation has been laid to recover from that and to see an economy that is productive and that is vibrant and that is healthy by end of next spring or the start of next summer."

Mr. Weidenbaum also told a news conference that unemployment will rise further from October's six-year high of 8 percent. "As well, the recession will worsen the expected 1982 federal budget deficit, which he said will exceed the administration's \$42.1 billion target, and it will conse-

(Continued on Page 11, Col. 4)

	INA		Conn. General	
	1980	1979	1980	1979
Revenue	\$5,255	\$4,571	\$5,279	\$5,090
Profits	293	262	330	280
Per Share	7.47	6.78	7.66	6.54
Total Assets (of Dec. 31)	10,604	8,987	16,741	14,950
Lines contributing to 1980 revenue				
Property casualty	65%		Group life, health, annuity	68%
Life	20%		Ind. life, health, annuity	12%
Health care	15%		Property casualty	19%

Prices on NYSE Gain As Banks Cut Prime

NEW YORK—Prices closed higher on the New York Stock Exchange Monday after moving in a narrow range all day. Analysts said investors were concerned about the economic outlook.

The Dow Jones industrial average moved back and forth all day before finishing up 2.76 at 855.21. It had been up about two points an hour before the close, dropped about four points in half an hour and then rallied to close higher. Advances led declines by an 8-6 margin and volume rose to 48.31 million shares from the 43.27 million traded Friday.

For the second consecutive session, investors appeared to be trying to determine the depth and length of the recession that has set in. President Reagan is expected to discuss that subject in a Tuesday news conference.

Murray Weidenbaum, Council of Economic Advisers chairman, predicted several more months of bad economic news followed by a rebound in the middle of 1982 if not sooner.

The market has been shaky since the government reported October unemployment soared 0.5 percent to a six-month high of 8 percent and some observers predicted it would move higher. The increase reflected the severity of the recession.

A 17-percent prime lending rate spread industrywide Monday as most of the nation's major banks matched a half percentage point cut begun last week.

Bank of America, Citibank and Chase Manhattan led banks lowering their prime Monday. The move to 17 percent was initiated Thursday by Chemical Bank of New York, Continental Illinois and First National Bank of Chicago went to 17 percent Friday. The 17

percent prime rate is the lowest since last March.

The federal funds rate—overnight loans of uncommitted reserves among banks, transactions typically involving billions of dollars a day—were trading Monday at 13 1/4 percent. As recently as last Wednesday, the funds traded at 16 percent. And in early July, the interest on federal funds averaged nearly 20 percent.

Brokers said some foreign investors were withdrawing from stocks as the dollar slipped on international exchanges because of lower interest rates.

Prices on credit markets were significantly higher Monday, aided by expectations interest rates will continue to decline.

They said that outlook served to limit the reaction to the New York Federal Reserve Bank's move to drain reserves from the system, which was basically viewed as a response to technical factors rather than a statement on monetary policy.

Long dated bond prices were about 1 1/4 points higher on the day. Among corporate bonds, industrials rose 1/2 point in moderate trading and utilities gained 1 point in quiet activity.

2 U.S. Insurers Set \$10 Billion Merger

NEW YORK—Connecticut General and INA Corp. Monday announced a proposed merger creating a new company with \$10.8 billion in annual revenue and more than \$27 billion in assets.

The two companies are about equal in size. They will be merged by creating a new corporation; neither firm is acquiring the other. The tentative new name is North American General Corp., but this is subject to revision.

Connecticut General is the eighth-largest life insurer in the United States and through its Aetna Insurance subsidiary is a major writer of property-casualty insurance.

INA Corp. is one of the largest U.S. insurance groups, with much of its business in property-casualty insurance. It ranks fifth in the United States in commercial property insurance and 12th in personal property insurance. Each company also conducts a large investment management operation.

Connecticut General said both boards have approved the transaction, which is still subject to approval by shareholders of both companies. The company said the transaction is designed to be a tax-free reorganization.

Ralph D. Saul, chairman of INA, will be chairman of the new company and Robert D. Kilpatrick, president of Connecticut General, will be president and chairman of the executive committee.

Connecticut General said the board of the new company will have members drawn from each company equally.

The company said the new company's principal operations will remain in Hartford, Conn., where Connecticut General is headquartered, and in Philadelphia, where INA is located, with a small headquarters site to be established in a yet-to-be chosen New York suburb.

Each share of the new company's convertible preferred stock will have a \$25 liquidation preference and will be convertible from six months after issue into 0.4212 share of the new company's common stock.

Connecticut General said preferred shares will have an annual cumulative dividend of \$2.75 a share.

"The terms of the agreement are designed to maintain relative parity between the Connecticut General and INA shareholders in the new company's market capitalization, stock ownership and voting rights," Connecticut General said.

The company said both Mr. Kilpatrick and Mr. Saul intend to recommend that the new company's initial dividend be \$2.50 a share annually. It said the dividend rate, together with that for the preferred, would maintain INA's current dividend rate and represent an increase from Connecticut General's \$1.76 a share.

Connecticut General said it and INA have granted each other reciprocal options to acquire up to 16.5 percent of each other's common stock at Nov. 6 closing prices of \$55 for Connecticut General shares and \$48.75 for INA.

Connecticut General said INA's convertible debt will remain outstanding and be convertible after the merger into securities of the new company on the same basis that would have applied if the conversion had taken place immediately prior to the merger.

BUSINESS NEWS BRIEFS

Anglo American Interests Planning Merger

JOHANNESBURG—Anglo American Industrial and De Beers Industrial are completing proposals on a merger of their operations, the two members of the Anglo American financial empire said Monday.

Ordinary shares of both companies have been suspended from the Johannesburg Stock Exchange until Tuesday when an announcement on the merger plans will be made, the companies said. Anglo American Industrial holds about 26 percent of De Beers Industrial.

The companies said the action was taken to consolidate the major industrial interests of Anglo and De Beers. Anglo American has already restructured its property and insurance interests.

Government to Sell Shares in Japan Airlines

TOKYO—The Japanese government will sell 2.5 million shares of Japan Airlines to investors, including the public, next month to help reduce the national deficit, the Finance Ministry said Monday.

The sale will account for about five percent of the government holding in JAL, which totals 50.6 million shares or 40 percent, and is expected to bring in about six billion yen (\$26 million), the ministry said.

Manufacturers Hanover Unit Launches Funds

LONDON—Manufacturers Hanover Asset Management launched a short-term dollar money market fund and a longer-term multi-currency bond fund on Monday. The Guernsey-based subsidiary of Manufacturers Hanover Corp. said the investment funds will issue bearer certificates and offer a choice of income or accumulation shares, with shares convertible on seven days notice.

UAW Accepts Contract Changes at Ford Plant

DETROIT—United Auto Workers at a fourth Ford Motor plant voted Sunday to accept non-wage contract concessions in hopes of averting layoffs or a factory shutdown. Ford has said its U.S. work force cannot compete economically with overseas facilities.

The proposed changes in work rules are expected to cut Ford's operating costs at the suburban Sterling Heights side plant. The plant's work force has been reduced from 6,000 to 2,450 in three years.

The changes give Ford more flexibility in scheduling, overtime and work conditions but do not affect wages or other matters covered by the UAW's national contract with Ford, a UAW official said.

U.S. Companies Report Downturn in Economy

NEW YORK—The economy turned sharply lower in October, with output, new orders and employment declining at a faster pace than the month before, according to the latest report on business conditions compiled by the National Association of Purchasing Management.

The purchasing managers, who are responsible for buying the materials for their companies, said that more of the association's members reported lower production, orders and employment last month than at any time in more than a year.

Correction

The Eurobond market turnover figures for Euroclear and Cede were reversed in some Monday editions. The correct figures follow:

(Millions of U.S. Dollars)	Total	Dollar Settlement	Non-dollar Settlement
Cedel	5,278.6	4,555.7	722.9
Eurocl.	8,940.5	8,453.6	486.9

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Key U.K. Lending Rate Cut 1/2 Point to 15% by 4 Banks

LONDON—Four major British banks led by National Westminster Bank cut their base rates to 15 percent Monday. NatWest cut its deposit rate to 13 from 14 percent.

With the banks' action, U.K. money market rates fell sharply in hectic early trading, dealers said. Rates had opened lower after a fall in U.S. money supply figures last week and the lower trend in U.S. bank prime rates, dealers added.

Eurodollar deposit rates fell almost 1/2 point, and the pound rose to over \$1.90 from \$1.8742 Friday, they noted. The pound later eased to close at \$1.8905.

As well, share prices moved up across a broad front on the London Stock Exchange. At mid-session, the Financial Times 30 share index rose 12.5 to 507, and continued to gain, closing at 510.9. The index gained 26 points last week.

Increasing evidence of improving productivity in British industries also has helped the stock market, dealers said.

Barclays Bank, Lloyds Bank and Midland Bank all cut their base lending and deposit rates to NatWest's levels. The seven day deposit rate for Lloyds and Midland had been 13 1/2 percent.

Money market dealers said the cut in the morning of National Westminster's key base lending rate generally surprised the market but added prevailing money market rates justified the move.

They said the market has been falling steadily for two weeks and

noted the key three month inter-bank sterling rate had dropped from 16 3/4 percent Oct. 27 to open at 15 1/2 percent Monday.

Base rate setting by the major U.K. banks has become more market related since the Bank of England's switch to open money market operations Aug. 20, a leading banking source said.

Bank base rates were cut to 15 1/2 from 16 percent Oct. 13.

Dollar Sags as Rates Drop

LONDON—The U.S. dollar sagged against the major Western European currencies Monday on news of continued decline in the U.S. money supply and lower interest rates at U.S. banks. Gold was firmer but little changed.

Dealers said the immediate reason for the dollar's fall Monday was a larger-than-expected drop in the weekly U.S. money supply announced late on Friday.

Wall Street analysts said U.S. money-supply growth was now well below the target set for this year by the Federal Reserve. They said they therefore expected the Fed to continue relaxing its monetary policy, leading to further drops in dollar interest rates.

The dollar closed here at 2.2065 Deutsche marks, down from 2.2230 DM Friday, at 1.7730 Swiss francs, down from 1.7865, and at 5.5800 French francs, down from 5.5985. In New York, the dollar

strengthened slightly but was still below its Friday levels.

Gold closed at \$430.50 an ounce in Zurich, up from \$427.50 Friday and at \$429.125 in London, up from \$428.625.

"Gold was busier with the metal continuing to pick up gradually as the dollar fell," said a dealer for London bullion brokers Samuel Montagu.

Eurobond Trading

Meanwhile, Eurobond trading was hectic in London in response to the U.S. money-supply news. In heavy buying, rises of around 1 1/2 points were common. The prospect of lower U.S. interest rates underpinned the trend, dealers said.

In contrast to the straight bonds, U.S. convertibles attracted minimal interest. Concern over the depth of the recession in the United States is inhibiting trade in the sector, dealers said. Japanese convertibles were also quiet.

Quebec, U.S. Company Agree on Takeover

QUEBEC—The Quebec government has agreed to purchase 51 percent of the controlling shares in Asbestos Corp. from the U.S.-based General Dynamics Corp., Quebec Finance Minister Jacques Parizeau said Monday.

Mr. Parizeau said the Societe Nationale d'Amiante, the crown corporation managing most asbestos production in the province, would purchase 51 percent of the Asbestos Corp. voting shares owned by General Dynamics' Canadian subsidiary for 16 million Canadian dollars (\$13.4 million). The agreement with should be concluded within a few weeks, he said.

Mr. Parizeau said the deal will make General Dynamics Canada and Societe Nationale de l'Amiante partners in Asbestos Corp., Quebec's second-biggest producer of asbestos fiber, at a price of \$42 a share, at least for the next few years.

Between three and five years after the agreement, the state-owned firm will have an option to purchase the rest of General Dynamics' interest in its Canadian subsidiary for \$42 a share, plus 16 percent compounded annually. This would bring the total cost of the deal to \$81 million. The same terms would apply in the fifth year, but with 17 percent added annually.

Mr. Parizeau said General Dy-

namics currently held \$16 million in cash and short-term securities in Asbestos Corp. in addition to 1.5 million shares or 54.6 percent of outstanding shares in the mining enterprise. A Quebec government pension fund owns 10 percent of Asbestos Corp. stock.

A spokesman for General Dynamics said in St. Louis that the company would not comment on the \$81-million price.

The initial purchase of only 51 percent of Asbestos was considered to be a Quebec government concession to recent criticism of the proposed takeover. Some members of Quebec Premier Rene Levesque's caucus reportedly have opposed the expenditure required for the purchase faced with lagging international prices for the product and the company's declining profits.

CURRENCY RATES

Interbank exchange rates for Nov. 9, 1981, excluding bank service charges.

	\$	£	D.M.	F.F.	ITL	DMK.	S.F.	S.P.	D.R.
Amsterdam	2.024	4.362	118.725	43.255	2,020	6.53	137.24	2420	
Berlin (D)	2.158	78.295	14.855	6.665	2,158	11.30		5.22	
Frankfurt	2.20	4.164		39.57	1,800	91.20	5.74	124.25	37.20
London (S)	1.89		4.722	10.522	228.85	4.880	70.125	3.252	2.640
Milano	1,173.55	2,228	224.91	21.45		45.54	31.74	161.14	161.14
New York		1.89	0.627	0.178	0.081	0.12	0.027	0.543	0.147
Paris	1.559	10.325	22.34		4.722	22.60	14.99	21.52	78.4
Zurich	1.771	2.322	89.23	31.77	0.156	73.1	4.283		54.9
ECU	1.162	0.589	2.629	6.12	1.2014	2.622	41.026	1.89	7.649

	\$	Currency	Per U.S.	Equiv.	Currency	Per U.S.	Equiv.	
1,029	Australian \$	0.875	0.876	Israeli sheqel	14.11	0.429	Singapore \$	2.665
1,049	Australian \$	15.43	0.884	Japanese yen	226.275	1.04	S. African rand	0.58
0,282	Belgian fr.	41.25	2.512	Kawalli dinar	0.288	0.015	S. Korean won	0.070
0,280	Canadian \$	1.174	0.614	Malay. ringgit	2.265	0.216	Spanish peseta	16.6
1,541	Dutch guilder	7.803	0.12	Norw. krona	5.8125	0.182	Swedish krona	5.475
0,213	Finland mark	4.24	0.122	Phil. peso	0.183	0.043	Taiwan \$	37.76
0,181	French franc	55.20	0.017	Port. escudo	20.414	0.045	Thai baht	23.75
1,192	Hong Kong \$	5.402	0.222	Saudi riyal	3.47	0.272	U.A.E. dirham	3.67
1,462	Irish £	0.222	1.143	S.D.R.	0.829			

\$ Short: 1,188 Irish £.
1) Commercial franc. 2) Amounts needed to buy one pound. 3) 1 Unit = 1000. 4) 1 Unit = 1000.

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NYSE Nationwide Trading Closing Prices Nov. 9

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 9)

32 Month Div. In % Vol. P/E 1981 High Low	32 Month Div. In % Vol. P/E 1981 High Low	32 Month Div. In % Vol. P/E 1981 High Low	32 Month Div. In % Vol. P/E 1981 High Low
144 114 1.40 1.00 1.00 1.00 1.00 1.00 1.00 1.00	145 115 1.41 1.01 1.01 1.01 1.01 1.01 1.01 1.01	146 116 1.42 1.02 1.02 1.02 1.02 1.02 1.02 1.02	147 117 1.43 1.03 1.03 1.03 1.03 1.03 1.03 1.03

318 186 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.00	319 187 1.01 1.01 1.01 1.01 1.01 1.01 1.01 1.01	320 188 1.02 1.02 1.02 1.02 1.02 1.02 1.02 1.02	321 189 1.03 1.03 1.03 1.03 1.03 1.03 1.03 1.03
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(Continued on Page 12)

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For international clients with special investment needs, our wholly-owned subsidiary Badische Kommunale Landesbank (Switzerland) Ltd. in Zurich, offers investment counselling, portfolio management, and trustee services, and deals in currencies, precious metals and securities.

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SEC Sues Grumman Over Filings

WASHINGTON — The Securities and Exchange Commission Monday alleged that Grumman Corp. filed untrue statements and failed to disclose required information in an attempt to frustrate a tender offer by LTV Corp.

In papers filed in U.S. District Court, the SEC alleged that Grumman failed to make necessary disclosures about the purchase of Grumman securities by Grumman and the Pension Trust of Grumman and the Madison Fund.

The SEC alleged that these actions took place at a time when LTV had offered \$45 a share for 70 percent of Grumman's stock and that these moves were designed to frustrate the LTV offer.

In its complaint, the SEC asked that Grumman be required to amend its filings with the commission and to inform its shareholders.

Specifically, the complaint alleged that Grumman "failed to disclose that purchases of Grumman securities by Grumman and the Pension Trust of Grumman were for the purpose of defeating the tender offer."

The complaint also alleged that Grumman failed to disclose that it

had asked the Madison Fund, a New York investment company, to purchase Grumman stock to frustrate the LTV offer.

The SEC did not allege that the Madison Fund violated any federal securities laws.

Grumman denied the SEC

Chairman of Swiss Volksbank Quits

BERN — Hans Frey, chairman of the Swiss Volksbank management board, said Monday that he has his resignation had been accepted by the board of directors.

Mr. Frey told journalists that as management board chairman he takes responsibility for the bank at all levels and referred specifically to events in Geneva.

Last week Swiss Volksbank said instructions at its Geneva branch had been ignored or misinterpreted, which led to the withdrawal of 139 million Swiss francs (\$77.6 million) out of the hidden reserves of the bank to cover losses in silver transactions.

Mr. Frey is being replaced as chairman by Walter Ruegg, a board member.

charges, saying it made no misstatement of fact regarding the offer and it said it complied with disclosure rules.

The company also denied that it asked the Madison Fund to buy Grumman stock to help defeat the takeover.

Volksbank Quits

In a statement last week, Volksbank said measures had been taken to insure that the losses in silver transactions are not repeated. Monday, Ernst Brugger, board president, said that commodity futures trading by Swiss Volksbank had been banned.

Nissan Group Goes to U.K.

TOKYO — Nissan Motors sent a feasibility study team to Britain Monday in preparation for a decision next spring on whether to set up an auto plant there. Nissan officials said the team would make a three-week British tour and its findings will be analyzed before Japan's second-largest auto company arrives at a decision early next year.

Regan Sees GNP Declining by 3% In This Quarter

(Continued from Page 9)

quently take longer to get the deficit under control, he said.

"But in the second half of 1982," he said, "we will begin to see a very strong upturn as interest rates fall, the second round of tax cuts is in place and defense procurements continue to increase."

Mr. Weidenbaum said he expects the budget deficit to shrink in fiscal 1983 "and in 1984 it will be even smaller." He added that he favors spending cuts over tax increases to reduce the 1982 budget deficit.

Mr. Regan also said "it is entirely possible" that the budget deficit in fiscal 1982 could be higher than the \$57.9 billion recorded in fiscal 1981.

He said President Reagan is not ruling out new tax increases to cut the federal deficit, but the president will first watch Congress to see what lawmakers do with administration plans for major new budget cuts.

Mr. Regan said the administration is preparing plans for new spending cuts in social programs.

Yamani Vows to Use Output To Defend New OPEC Price

LONDON — Saudi Arabia will thwart any attempts by other countries to raise oil prices before the end of 1982 by increasing its production, Saudi Oil Minister Sheikh Ahmed Zaki Yamani was quoted Monday as saying.

Sheikh Yamani issued the warning to other members of OPEC during a meeting with British journalists in Riyadh.

He was quoted as saying that Saudi Arabia, the world's leading oil exporter, stepped up production in October to 9.6 million barrels a day from 9 million in September, which added to the world's surplus of crude oil and forced acceptance of a unified base price of \$34 a barrel by OPEC members.

While Sheikh Yamani said he saw no reason to change his country's November production level of 8.5 million barrels a day before the end of 1982, he said he would move against any attempt to push prices above the levels agreed to by OPEC in Geneva earlier this month.

The reports said Sheikh Yamani suggested that at its next meeting in December in Abu Dhabi, OPEC might lower the \$34 base price allowed some producers on grounds of quality or closeness to major markets.

COMPANY REPORTS

Revenue, Profits in millions. In local currencies unless otherwise indicated

Britain		Japan	
Lucas Industries		Mitsui Eng. & Shipbuilding	
Year	1981	1980	1981
Revenue	1,190	1,200	167,490
Net	loss\$34.49	30.74	103,680
Per Share	—	0.2971	3,076
Canada		Mitsui Mining & Smelting	
Hudson Bay Mining & Smelting		1981	
3rd Quar.	1981	1980	1980
Revenue	106,649	5.44	131,480
Net	—	0.54	140,660
Per Share	—	1.94	572.0
Noranda Mines		Sumitomo Heavy Ind.	
3rd Quar.	1981	1980	1981
Revenue	580.7	698.8	122,250
Net	27.0	135.9	1,460
Per Share	0.14	1.34	376.0
United States		Bendix	
Moranda Mines		4th Quar.	
3rd Quar.	1981	1980	1981
Revenue	580.7	698.8	1,010
Net	27.0	135.9	1,010
Per Share	0.14	1.34	36.31
Sumitomo Heavy Ind.		Year	
3rd Quar.	1981	1980	1981
Revenue	2,120	2,120	4,230
Net	207.55	322.28	284.7
Per Share	1.87	3.21	8.35

Exxon, Tosco Stake \$3.4 Billion on Oil Shale

(Continued from Page 9)

oil has for decades appeared to be on the verge of commercialization without becoming so. They raise the possibility of a decline in oil prices and of the tendency of all projects of such magnitude to far exceed estimated costs.

It is also noted that the Reagan administration has severely downgraded the activities of Synthetic Fuels Corp. And a senior Exxon strategist not directly involved in the project anticipates a "rocky road" for the venture, one of his company's biggest.

The Exxon-Tosco Colony project is to begin producing 50,000 barrels of shale oil a day starting in 1985, an amount equal to 1 percent of the U.S. imports.

A few miles away, Union Oil of California is building a plant to turn out 10,000 barrels a day when it goes into operation in 1983. Additions will be made after the company verifies the technical, environmental and economic soundness of its process.

Union, which began testing shale oil processes here in 1955, also insists — some skeptics notwithstanding — that shale oil will quickly take hold as the first large-scale source of synthetic fuels in the United States. "I think it'll develop faster than most industries have ever developed," said James S. Cloninger, one of its managers.

The 2-trillion barrels of shale oil in the Piceance Creek Basin and other areas of the U.S. West repre-

sent three times the world's proved reserves of conventional oil.

"The market implications are there," acknowledged Taiwo Idemudia of OPEC's energy studies department, who recently flew to Denver from Vienna to attend a shale oil seminar.

OPEC Interest

Even a modest amount of capacity in operation could inhibit OPEC prices increases. But Mr. Idemudia also suggested that some OPEC countries might want to invest in the shale oil business to stretch reserves of conventional oil.

Tosco has been working on its shale oil technology for 25 years but it was not until 1979, after the Iranian revolution had helped to double the world oil price, to \$30 a barrel, that Tosco and its partner at the time, Atlantic Richfield, decided to restart its field operation here. The higher price, combined with the Carter administration's efforts to encourage the production of synthetic fuels, appeared to make shale oil a reasonable economic bet.

Then in May 1980, Exxon bought Arco's 60-percent interest in Colony for \$300 million in cash and another \$100 million if the project is completed on schedule.

The sponsors say the \$3.4-billion Colony project is able to extract shale oil at about \$30 a barrel. After upgrading it so that it can be refined along with any other high-

quality oil, it is expected to be able to compete with similar quality OPEC oil, now ranging upward from \$34 a barrel.

Morton W. Winston, president of Tosco, said that the colony project did not depend on further increases in the world price. It will succeed, he said, if the world price, adjusted for inflation, does not decline.

A Tosco official has estimated that Colony's mine, on which the traditional room-and-pillar method will be used to produce "rooms" 60-feet high and 60-feet wide, will be bored for a distance of 9,000 miles and will produce 66,000 tons of ore a day.

OECD Oil Use, Imports Declined in 1st Half

The Associated Press

PARIS — Oil consumption in the 24 nations of the Organization for Economic Cooperation and Development declined by 7.9 percent in the first half of the year according to figures published Monday by the International Energy Agency.

Net oil imports during the same period declined 15.8 percent to 505.1 million tons from 559.9 million during the same period in 1980. The IEA figures showed stocks of crude oil at the end of June rose slightly to 470.7 million tons from 466.6 million tons a year ago.

The shale will be crushed and fed into surface reactors, or furnaces, where heat will convert kerogen, the organic material embedded in the rock, into vaporized shale oil. The vapor is then cooled and condensed and the impurities removed. The oil leaves the site by pipeline.


Financing

Spent shale will be taken to a disposal site where it will be compacted, contoured and revegetated. Colony has already obtained all the major environmental permits, and it is not likely that any financing problem will throw the project off course.

During the summer, Tosco woo a \$1.1-billion government loan guarantee that is expected to enable it to borrow 75 percent of its share of the construction costs. As part of the agreement, Tosco will supply the Department of Defense with 10,000 barrels a day of jet and marine fuel at prevailing market prices.

Tosco must still raise about \$400 million in equity capital. And although a spokesman conceded that this "is a strain" for a company with total assets of only \$872 million, analysts believe it can be done.

If not, the general expectation is that Exxon, which did not apply for government guarantees for its share of the project, would take it over by buying Tosco out.



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International Mexican Bank Limited - Intermex -

NEW ISSUE All these securities having been sold, this announcement appears as a matter of record only. October, 1981



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VOLVO

NYSE Nationwide Trading Closing Prices Nov. 9

Table of NYSE stock closing prices for Nov. 9, 1981. Includes columns for stock name, price, and change. (Continued from Page 10)

AMEX Nationwide Trading Closing Prices Nov. 9

Table of AMEX stock closing prices for Nov. 9, 1981. Includes columns for stock name, price, and change. Tables include the nationwide prices up to the closing on Wall Street.

Toronto Stocks Closing Prices, Nov. 6, 1981

Table of Toronto stock closing prices for Nov. 6, 1981. Includes columns for stock name, price, and change. Also includes Canadian indexes and Montreal stocks.

European Stock Markets Nov. 9, 1981

Table of European stock market closing prices for Nov. 9, 1981. Lists markets for Amsterdam, London, Frankfurt, Milan, Brussels, Zurich, and Paris.

Eurocurrency Interest Rates Nov. 9, 1981

Table of Eurocurrency interest rates for Nov. 9, 1981. Lists rates for various currencies and maturities.

Selected Over-the-Counter Closing Prices, Nov. 9, 1981

Table of selected over-the-counter stock closing prices for Nov. 9, 1981. Includes various international securities.

PORTINAX DEVELOPMENT LIMITED. Risk: U.S. \$1.40, Asked: U.S. \$1.60. As of date: Nov. 10, 1981. J. STROEVE & CO. (Est. 1818) Members Amsterdam Stock Exchange.

DUNHILL advertisement. Features a large image of a Dunhill cigarette pack with the text: 'Internationally acknowledged to be the finest cigarette in the world'. Includes the Dunhill logo and 'THE MOST DISTINGUISHED TOBACCO HOUSE IN THE WORLD'.

Sanpaolo-Lariano Group advertisement. Text: 'Sanpaolo-Lariano Group: as of today in Luxembourg, too.' Includes a large coat of arms logo and the text: 'The Sanpaolo-Lariano Group is now present also in Luxembourg. A further opportunity for economic operators. A reliable link for businessmen operating on international markets.' SANPAOLO-LARIANO BANK.

Sanpaolo-Lariano Bank advertisement. Text: 'SANPAOLO-LARIANO BANK 10, Rue Diks-Luxembourg Tel. 486011 - Telex 3188 SPLB LU'. Includes a large coat of arms logo.

U.S. COMMODITY PRICES

Chicago Futures table with columns for Open, High, Low, Settle, and Change. Includes sections for Wheat, Corn, Soybeans, and various oil products.

Market Summary

NYSE Most Actives

Table listing NYSE Most Actives with columns for Volume, High, Low, and Change.

Done Jones Averages

Table showing Done Jones Averages for various market indices.

Done Jones Bond Averages

Table showing Done Jones Bond Averages for different bond categories.

Standard & Poor's

Table listing Standard & Poor's indices and their values.

NYSE Index

Table showing NYSE Index performance across different sectors.

Odd-Lot Trading in N.Y.

Table detailing odd-lot trading activity in the NY market.

American Most Actives

Table listing American Most Actives with volume and price changes.

AMEX Index

Table showing AMEX Index values for various categories.

WALL STREET REPORT

Textual report on Wall Street activity, mentioning market movements and key news.

TERMINMARKT

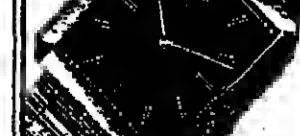
Textual report on the Terminmarkt (Termination Market) and related financial instruments.

W.W.B. GmbH

Textual information regarding W.W.B. GmbH, including contact details and services.

PIAGET

Advertisement for Piaget watches, highlighting their ultra-thin design and precision.



Textual part of the Piaget advertisement, mentioning 'The Jeweler you cannot miss'.

Textual part of the Piaget advertisement, providing contact information for Edward Jewels.

EDWARD JEWELS

Textual part of the Edward Jewels advertisement, including address and phone number.

AMEX Nationwide Trading Closing Prices Nov. 9

Tables include the nationwide prices up to the closing on Wall Street.

Large table of AMEX Nationwide Trading Closing Prices for Nov. 9, listing various stocks and their prices.

Table titled 'New York Futures' showing prices for various futures contracts.

Table titled 'London Metals Market' showing prices for various metals.

Table titled 'London Commodities' showing prices for various commodities.

Table titled 'Cash Prices' showing various cash market prices.

Table titled 'Commodity Indexes' showing various commodity index values.

Table titled 'Dividends' showing dividend information for various stocks.

Table titled 'Paris Commodities' showing prices for various commodities in Paris.

Table titled 'Tokyo Exchange' showing prices for various stocks on the Tokyo exchange.

Table titled 'Floating Rate Notes' showing prices for floating rate notes.

Table titled 'Monday's New Highs and Lows' showing price movements for Monday.

Table titled 'Turkey, Greece Schedule Talks' providing details on diplomatic talks.

Table titled 'European Gold Markets' showing gold prices in various European markets.

Table titled 'Gold Options' showing prices for gold options.

Table titled 'Valuers White Weld S.A.' providing information about the firm.

Table titled 'European Options Exchange' showing options trading data.

Table titled 'Turkey, Greece Schedule Talks' (repeated) providing details on diplomatic talks.

Table titled 'European Gold Markets' (repeated) showing gold prices.

Table titled 'Gold Options' (repeated) showing gold options prices.

Table titled 'Valuers White Weld S.A.' (repeated) providing firm information.

Table titled 'European Options Exchange' (repeated) showing options trading data.

Table titled 'Turkey, Greece Schedule Talks' (repeated) providing details on diplomatic talks.

Table titled 'European Gold Markets' (repeated) showing gold prices.

Table titled 'Gold Options' (repeated) showing gold options prices.

Table titled 'Valuers White Weld S.A.' (repeated) providing firm information.

Advertisement for Eagle Resources N.V., including a call to action for shareholders and details about the company.

Advertisement for International Income Fund, highlighting investment opportunities and fund details.

Advertisement for Valuers White Weld S.A., providing contact information and services.

John Henry Wins California Race



Miami's Duell Thomas, right, unloaded on Tim Fox, causing the New England defensive back to bobble an interception early in the Dolphins' 30-27 overtime victory Sunday in Foxboro, Mass.

49ers Hold Off Falcons, Win 7th Straight, 17-14

From Agency Dispatches
SAN FRANCISCO — Joe Montana threw two touchdown passes and an interception by Dwight Hicks thwarted a late Atlanta drive, enabling the San Francisco 49ers to win their seventh straight National Football League game, 17-14, over the Falcons here Sunday.

Montana's second scoring pass, a 3-yarder to tight end Charlie Young, gave the 49ers a 17-7 lead midway through the final period. Atlanta's Steve Bartkowski threw a

25-yard TD pass to Alfred Jackson with 1:43 left to play — and the Falcons' Ken Johnson recovered the ensuing onside kick.

But Hicks, a safety, then picked off Bartkowski's pass intended for Junior Miller, the 49er 5-yard line to preserve the victory. Said Bartkowski of the interception: "I didn't see Hicks out of the corner of my eye until I released the ball."

Montana also had a 14-yard scoring pass to Freddie Solomon late in the second period, and his 24-yard completion to Solomon two seconds before the half ended set up Ray Werschling's 48-yard field goal.

San Francisco's past three triumphs have all been by three points over teams that once had little trouble with the 49ers — including Los Angeles (20-17) and Pittsburgh (17-14).

The victory boosted San Francisco's record to 8-2 and gave the 49ers a three-game lead over Atlanta and Los Angeles, both 5-5, in the National Conference West Division. Asked if the race is over, Coach Bill Walsh said: "Not a chance."

The 49ers lost eight straight games last season — and will shoot for their eighth straight victory at

home against the Cleveland Browns Sunday.

"Seven wins in a row!" exclaimed Carlton Williamson, one of the rookie defensive backs who has contributed to the 49er turnaround. "You're damned right I'm excited."

Saints 21, Rams 13
In Los Angeles, the Rams lost for the third time in four weeks, 21-13, to New Orleans. Rookie Saint running back George Rogers gained 161 yards and scored three touchdowns; his rushing yardage is a league-high 1,040 for the season.

Los Angeles led, 10-0, on a 44-yard field goal by Frank Corral and a 26-yard pass from Dan Pastorini to Preston Dennard before Rogers scored on runs of 59, 5 and 2 yards.

Broncos 23, Browns 20
In Denver, the Broncos' Fred Steinfort converted a 30-yard field goal into overtime to down Cleveland, 23-20. Steinfort, who has hit on only 5 of 13 attempts this year, got his chance after cornerback Dennis Smith recovered a Cleveland fumble near midfield. Quarterback Craig Morton then hit Rick Upchurch with a 33-yard pass to set up the winning kick.

The Browns' Matt Bahr had kicked two field goals, of 27 and 32 yards, in the final 4:18 of the game to force the overtime.

Redskins 33, Lions 31
In Washington, Mark Moseley's 44-yard field goal with 43 seconds left — his fourth of the game — erased a 1-point Detroit lead and gave the Redskins a 33-31 verdict.

Joe Washington rushed for 144 yards and scored two Washington touchdowns. The Lions had taken the lead 1:07 earlier on a 59-yard field goal by Ed Murray, but quarterback Joe Theismann moved the Redskins into field goal range

with three plays that covered 45 yards.

Dolphins 30, Patriots 27
In Foxboro, Mass., Uwe von Schamann kicked a 22-yard field goal with 7:09 gone in overtime to boost Miami past New England, 30-27. Linebacker Bob Brudzinski set up the field goal when he intercepted a Steve Grogan pass at the Patriot 45-yard line and returned it to the 26. New England forced the overtime on a 34-yard field goal by John Smith with 10 seconds left in regulation time.

Bears 16, Chiefs 13
In Kansas City, Mo., John Roach kicked a 22-yard, second-chance field goal with 1:53 to play in overtime to give Chicago a 16-13 squeaker over the Chiefs. Roach missed his first attempt, a 37-yarder, but was awarded another

shot when Kansas City's Gary Green, trying for the block, was penalized for jumping onto the back of a Chicago player. The winning drive started when Chief quarterback Steve Fuller fumbled a snap, Al Harris recovering on the Bear 36.

Jets 41, Colts 14
In Baltimore, Richard Todd passed for 277 yards and three touchdowns as the New York Jets handed the Colts their ninth straight loss, 41-14. Todd completed 21 of 31 attempts; his scoring passes were to Wesley Walker, Lam Jones and Kevin Long. The Jets, who have won five of their last seven games, took a 17-14 lead on a 1-yard run by Mike Augustyniak in the second quarter.

Seahawks 24, Steelers 21
In Seattle, Theotis Brown's second 1-yard touchdown run of the

day, with 9:04 to play, provided the Seahawks with a 24-21 victory over Pittsburgh. Steeler kicker David Trout missed a 22-yard field goal attempt with 19 seconds left in the game. Pittsburgh's Franco Harris rushed for 61 yards, giving him 10,003 lifetime. Only Jim Brown (12,312) and O.J. Simpson (11,236) are ahead of him on the all-time NFL rushing list.

Bengals 40, Chargers 17
In San Diego, Cicoioati swamped the Chargers, 40-17 — San Diego's worst home-field loss since 1975. Quarterback Ken Anderson threw two TD passes as Cincinnati scored 31 points before halftime. Cincinnati cornerback Louis Breedren tied an NFL record with a 102-yard interception return for a touchdown; the mark was set in 1949 by Detroit's Bob Smith and has been equaled twice since.

NCAA Limitations on Recruitment Broaden U.S. Football Power Base

By Gordon S. White Jr.

New York Times Service
NEW YORK — From the day that Johnny Majors became head football coach at the University of Pittsburgh, Dec. 19, 1972, until mid-August, 1973, he and his new staff scoured the nation for as many football recruits as they could find.

They signed 76 newcomers, and 67 of them showed up at preseason training camp, according to Jackie Sherrill, an assistant coach who was Majors' head coach since Majors left for Tennessee in 1977.

"That grab bag of freshmen and junior college transfers produced the nation's best football player of 1976 — Tony Dorsett, the tailback who won the Heisman Trophy. It also helped produce that year's best team. That unlimited recruiting of players also brought Pitt up from the depths of football despair to a ranking position among the nation's powers, where it is likely to remain for some time. Winners of eight straight games this season, the Panthers are ranked No. 1 in both wire-service polls.

But this recruiting method for a quick comeback to prominence is unlikely to happen anywhere again because of current National Collegiate Athletic Association rules limiting the number of players a team may recruit.

The once-wealthier teams now are making progress because the long-standing powers are being restricted, and thus are being brought back to the pack. Pitt probably would have made it to the top under its dynamic coaches — but not as fast.

While Majors and his Pitt staff were grabbing every player they could, the NCAA enacted its "95-30" rule in January, 1973. It limited a college to 30 new players a year and a total of 95 football scholarships. The 30 limit went into effect in 1974 and the 95 was effective in 1978. Pittsburgh just got in under the wire with its huge recruiting job.

But the 95-30 rule is not the only reason that the power in Division I-A football is no longer concentrated among a handful of teams. College coaches and officials list other contributing factors:

• The NCAA limitation on the size of coaching staffs — there can now be only one head coach and eight full-time assistants. Staffs of 15 or more at major powers were not unusual in the 1960s.

• The increased number of high schools playing football in certain regions of the country and the improvement of high school coaching.

• The commitments by many colleges to spend money and improve facilities, an attraction to recruits and a way to develop players on hand.

Faced with growing economic problems in the early 1970s, NCAA football powers imposed on themselves limitations each year. But the 95-30 rule's most noticeable effect has turned out to be a change in the power structure of major college football nationwide.

No longer can a team recruit 50 or more players just to keep some on the bench so that opponents cannot have them. Talent is spreading, and teams that were not ranked highly in the past are now having their day.

This season has seen an unusual number of upsets. Pitt is the sixth team to be ranked No. 1 by the wire services — a first. And if Pitt doesn't continue undefeated through its remaining four games, there will be seventh top team, possibly an eighth.

Champions in North Carolina were ranked in the top 10 four different weeks this fall, marking the first year the Atlantic Coast Conference has placed two of its eight teams that high at the same time. Hawaii is undefeated and trying to break into the top 20. Drake has lost only once.

Wisconsin opened the season by pushing Michigan off the No. 1 spot. The next week, Michigan toppled Notre Dame from No. 1. Southern Cal moved to the top, but lasted three weeks until Arizona ended the reign. Then Texas' one-week possession of first was ended by Arkansas. Penn State was No. 1 for two weeks, only to be upset by Miami, opening the top spot for Pittsburgh.

Last week's top-20 list included Southern Missis-

si, Southern Methodist, Florida State, Miami of Florida, Washington State, Iowa State, Clemson and North Carolina, teams that were rarely up there before the 95-30 rule was enacted.

Speaking of his quick-success methods at Pittsburgh, 1973-1976, Majors said, "People think the numbers brought us back. They helped but really only helped equalize it for Pitt."

"When you take in 25 a year and you play Southern California, Oklahoma, Georgia twice, Florida State and Georgia Tech you have problems. Some of them were giving 45 scholarships a year. What we did was not so astronomical, really, compared to what others had been doing for years.

"It wasn't a matter of being hoggish," Majors said. "It was a matter of survival. But it was the shot that gave us the start, and then the next year it was quality recruiting as we got players like Matt Cavanaugh in 1974." Cavanaugh became the all-America quarterback on the 1976 team.

Raised Consciousness
"I think the 95-30 rule is the main reason for all these upsets," he continued. "Also, many more university people are conscious of the factors in having a football program be successful. It helps a university overall and thus they spend the money. Improving stadiums is one example.

"The variety of offenses and defenses possible because of the spread of talent resulting from the 95-30 rule is also a factor in other teams' improving."

Said Bob James, commissioner of the Atlantic Coast Conference: "The 95-30 rule was a contributing factor in the improvement of many teams. But the biggest factor in the improvement of Clemson and North Carolina, in particular, is the improvement of high school football in our area."

"There are more good players in bigger high schools in North Carolina and more of them are staying in the state to play college football than there were when I took this job 10 years ago."

A recent survey by the NCAA showed that of 450 North Carolina high school graduates playing in Division I-A college football, 358 of them are playing at North Carolina universities.

James said, "The migration to the South has helped this come about. Look at Florida, for example." The NCAA survey shows that only five other states produce more major college football players than Florida — California, Texas, Ohio, Pennsylvania and Illinois.

Florida State, Florida and Miami, the three Division I-A teams in Florida, have managed to keep their share of the 610 Florida residents playing major college football.

Boyd McWhorter, commissioner of the Southeastern Conference, said: "When I was a player over 30 years ago, there was only one high school in Macon, Ga. Now there are three or four. There were only three high schools playing football in Atlanta and now there are 40 or 50. I think there are certainly more players to go around, and with the 95-30 rule they are spread around."

Drake Got Lucky
Drake Coach Chuck Shelton has rebuilt the Bulldogs from a regular loser to a team in position to win the Missouri Valley Conference title.

He said that if it were not for the 95-30 rule he might not have Amaro Ware, who ranked seventh in the nation last week in rushing. Ware, a junior from St. Louis, was going to Missouri but was cut off by the Tigers because of the 30 limitation in 1979.

Mickey Holmes, executive director of the Sugar Bowl and former commissioner of the Missouri Valley Conference, said: "I think it's just great for college football. The 95-30 rule and coaching have caused the interesting spread of power. The bowls couldn't be more delighted."

"Sure, the [Bear] Bryants, [Joe] Paterno, [Vince] Dooley, [Bo] Schembachers and those coaches are going to stay powerful. But each of these has been beaten once this year, at least. They won't automatically beat everyone. It's the most exciting thing that has happened to college football in my lifetime."

One of Pro Golf's 'Rabbits' Shoots His Way Out of the Hole

By John Radosa

New York Times Service
HUNTSVILLE, Tex. — Playing conditions were miserable that recent Saturday.

Rain and cold penetrated sweaters and slacks down to the skin. It was impossible to keep the grips of the golf clubs dry. Players soaked up three and four towels and exhausted their supplies of dry gloves.

Skip Dunaway's visor did not fully protect his eyes; he had to wipe them constantly with his handkerchief. He was also fighting a cold, carrying a bottle of Coricidin in his golf bag.

Dunaway was having a harder time than many others. He had to slog from his cart to his ball, cleaning mud from the ball, carrying clubs, putting them back in the bag, replacing the hood — chores repeated all day long.

No-Scratch Player

Dunaway got to this remote spot 100 miles north of Houston with less than \$150 in pocket money and he could not afford the \$175 to \$200 a caddy would have cost for the week. He figured a caddy could have saved him two or three strokes in that one round alone.

On this last round of the 1981 qualifying school of the professional golf tour, Dunaway had played the front nine in a creditable 1-over-par. But he felt the back nine had "got out of control" with a bad-kick bogey on the 10th and a 3-putt bogey on the 14th.

Somebody came out on the course and said it looked like 296 would make it. Dunaway, on the 15th at the time, figured his cushion was just about adequate to bring him in under 296, or 12-over for four rounds on the tough Waterwood National Country Club course.

As it turned out, his margin was barely enough because he bogeyed the last three holes — hitting one errant drive, catching a bunker and finding the rough. That ended a dreary round of 77, for a 296.

Dunaway was too fidgety to hang around watching figures posted on the scoreboard, as other players did. Instead, he kept asking friends, "Is 296 going to make it?" In the end, when all 72 scores were in, 296 was good for a 10-way tie for 25th place — the bottom limit.

This was the third time Dunaway had had to go through qualify-

ing school. In the first two weeks of October, 513 aspiring touring pros had competed in 6 regional eliminations. For the final competition at Waterwood, the list had been whittled to 120. Most were out of the college ranks, a handful were assistant club pros.

Dunaway was one of 25 who had held cards and had them rescinded for inadequate performance on the tour. Of the 120 at Waterwood, 72 survived the 36-hole cut to fight for the 25-and-its-cards the tour was offering. Of the 25 former card-holders, only 9 requalified for them.

Dunaway, 5-foot-11 and, at 144 pounds, as skinny as a 3-iron, had felt comfortable after Thursday's second round. He had shot a second straight 72 for a 2-over 144 through 36 holes. Sipping a beer in the lounge, he was enough to discuss the qualifying hassle with per-

severano Ballesteros of Spain looked less than pleased during Sunday's final round of the Australian Professional Golf Association Championship. But he held on for a 3-under-par 282 total to win the tournament by three strokes over Billy Dunk, who was one stroke better than fellow Australian Greg Norman, Graham Marsh and Terry Gale.

pressure. The pressure was palpable out there — hurried movements, slammed clubs, muttered curses. There was absolutely no chit-chat and little laughter among the threesome, as there often is in a regular tournament. The pressure was greatest for players who were there for the first time.

Everybody

"Everybody feels the pressure," Dunaway explained. "Even if Jack Nicklaus were here, he would feel the pressure."

This is your livelihood, something you've always wanted to do. It's right out there in front of you. You can't fake it. In another business you might not have such a good week or a good day, but you still have a second chance. With this, this is it.

"That's why there is tension, pressure, whatever you want to call it. I don't think you ever learn to do away with pressure, but you learn to cope with it. One of my hangups is that I'm learning very slowly."

"You can't really explain it to anybody. . . . Your body does a lot of funny things under pressure that you normally can't believe would happen."

"The small muscles in your body tense up. That's where you've got to learn to relax and keep everything under control."

Dunaway played for North Carolina, where there were no golf scholarships. He recalls being "kicked pink" to shoot 75 and to be only 10 shots behind such oppo-

nents as Lanny Wadkins, Curtis Strange and Jay Haas.

After his graduation in 1974, he entered his father's real estate company but real estate was depressed then. In 1975 he won the Azalea Amateur and began thinking he could earn a livelihood at golf.

Dunaway entered the qualifying school in the fall of 1976 and failed. "Oh, did I!" he says. He tried again in the spring of 1977 — and earned his card. But on the

tour that year, he "played terribly. I just wasn't ready." He forfeited his card and took off most of 1978 to work on his game. He qualified again in the spring of 1979.

Under TPA rules, the winners of a first-year player must come within \$2,000 of the total won in the 160th place on the money list; in subsequent years players must finish in the top 160 to retain playing privileges. In a recently announced reorganization that will take effect in 1983, qualifying

schools will accredit 50 players instead of the current 25 and, on Monday qualifying — "Rabbit Day" — will be eliminated.

Dunaway won \$7,097 in 1979 and retained his card. In 1980 he won \$12,411 and extended his privileges into 1981. In the New Orleans and Kemper Opens this past season, he was in contention for three days, only to fall far behind in the final round, each time because he was exhausted from having played seven or eight straight days. Dunaway won only \$5,033 in 1981. Again he forfeited his card, which brought him back to the Waterwood qualifying school.

He considers himself good at the knee-knocking parts of 5 feet or so, but he does not feel as secure as, say, Tom Watson on a 30-footers.

"Dunaway's size is liability. He is trying, through exercise and diet, to build up his weight so he can have more power and endurance.

To this point, Dunaway has won a career total of \$26,052, far less than the 1981 earnings of the caddies of Tom Kite, Ray Floyd, Watson and other leading pros. He knows all about the loneliness, the mean four walls of a motel room, the skimping on expenses, the snubs that "rabbits" suffer.

"People may say to me, 'You're not making money,'" Dunaway related. "I tell you, the education you get on the tour you couldn't buy in 10 years of college. A professor reads to you out of a book. But life isn't out of a college book. The tour is a small college. You learn something new every day. I've learned to deal with all sorts of situations and places."

Joe Turnesa, a manufacturer's representative on the tour who has seen them come and go for years, is a friend of Dunaway's. He is optimistic about Dunaway's improvement and he thinks he knows why.

"What they want," Turnesa said on the evening of the victory dinner for the 34 qualifiers, "is the approval of their peers. Nothing is more important."

NBA Standings

Table with columns for Eastern Conference and Western Conference, listing teams and their records.

NHL Standings

Table with columns for Wales Conference and Campbell Conference, listing teams and their records.

John Henry Wins California Race

The Associated Press
ARCADIA, Calif. — John Henry, overtaken by Spence Bay late in the home stretch, rallied in the final strides to win Sunday's Oak tree Invitational at Santa Anita. John Henry, thoroughbred racing's richest runner ever, led most of the way but appeared headed for defeat when Spence Bay pulled head. With jockey Bill Shoemaker riding him on, John Henry inched back in front a few yards from the wire. The time for the 1 1/4 miles on grass was 2:23.5, equalling the stakes record and John Henry's finishing time in the event last year. With Sunday's \$180,000, John Henry has all-time high career earnings of \$2,985,310, including a record \$1,760,530 this year. He has won 21 of 34 grass starts lifetime, with \$2,137,562. The 6-year-old gelding, trained by Ron McNally, as captured 10 stakes races in a row at Santa Anita, with only Training and Ancient Title ever winning that many stakes events at the track.

CFL Playoffs

Table with columns for American Conference and National Conference, listing teams and their records.

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Art Buchwald State Shopping Visit

WASHINGTON — King Nabon of New Gurdy stepped out of the helicopter on the White House lawn and shook hands with the president of the United States. Four cannons fired off a 21-gun salute. "Thank you, Mr. President, for that wonderful salute. What kind of cannons are they?"



Buchwald

Barter Economy Makes a Comeback California Trade Clubs Foster Return of Cashless Business

By Patrick Lee Los Angeles Times Service — It's becoming a big deal. A Long Beach restaurateur barter meals for bar mitzvahs, and a Hollywood dentist trades fillings for furniture. When a Beverly Hills retractor recently leased land for an Italian restaurant, he accepted as partial down payment \$25,000 worth of beer, salads and pizzas.



Princess Marie-Astrid of Luxembourg and Karl-Christian of Hapsburg-Lorraine, archduke of Austria, whose engagement was announced Monday. Karl-Christian works as a banker in Brussels. The couple, both of whom are 27, will marry Feb. 6.

PEOPLE: Iran Raid Chief Regrets Aborting of Rescue Plan

Retired Army Col. Charles Beckwith, commander of the aborted raid in April, 1980, to free the American hostages in Iran, says only "two or three" people would have been hurt or killed if his mission had not been called off after three of the mission's helicopters developed mechanical problems.

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